

**Lorain Metropolitan  
Housing Authority**

**ADMINISTRATIVE PLAN**

**HOUSING CHOICE  
VOUCHER PROGRAM**

EFFECTIVE JULY 1, 2017  
FY 2018

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for  
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## Chapter 1

# STATEMENT OF POLICIES AND OBJECTIVES

## INTRODUCTION

The Section 8 Program (**herein after referred to as the Housing Choice Voucher Program or HCV Program**) was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Tenant-Based Assistance Program, are described in and implemented through this Administrative Plan. The Section 8 rental assistance program is federally funded and administered for Lorain County by the Lorain Metropolitan Housing Authority.

Administration of the HCV Program and the functions and responsibilities of the Housing Authority (PHA) staff will be in compliance with the PHA's Personnel Policy and the Department of Housing and Urban Development's (HUD) Section 8 Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

### Jurisdiction

Lorain Metropolitan Housing Authority's jurisdiction is the County of Lorain in the state of Ohio. **HUD may approve vouchers for us to operate in other jurisdictions due to opt-outs.**

Our mission is to serve our community's housing needs using available resources.

## A. LOCAL OBJECTIVES

The HCV Program is designed to achieve three major objectives:

1. To provide decent, safe, and sanitary housing for very low income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial deconcentration of very low income families of all races and ethnic backgrounds.
3. To provide an incentive to private property owners to rent to very low income families by offering timely assistance payments.

In addition, the PHA has the following goals for the program:

1. To assist the local economy by increasing the occupancy rate and the amount of money flowing to the community.
2. To encourage self sufficiency of participant families.

## **B. PURPOSE OF THE PLAN**

The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. The Housing Choice Voucher Program was implemented as of 10/1/99.

The PHA is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The original Plan and any changes must be approved by the Board of Commissioners of the agency, pertinent sections included in the Agency Plan, and a copy provided to HUD.

## **C. FAIR HOUSING POLICY**

It is the policy of the PHA to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. The PHA will not deny any family or individual the opportunity for assistance under the HCV Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family status, handicap or disability.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to them. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request.

Except as otherwise provided in 24 CFR, no individual with disabilities will be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

Lorain Metropolitan Housing Authority, 1600 Kansas Avenue, Lorain, Ohio, is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TDY telephone service provider.

*Please see the Fair Housing Addendum for the FSS in Addendum 2.*

## **D. REASONABLE ACCOMMODATIONS POLICY**

It is the policy of this PHA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within our jurisdiction.

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before the PHA will treat a person differently than anyone else. The PHA's policies and practices will be designed to provide assurances that persons with disabilities will be provided reasonable accommodation, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation will be made known to applicants and participants.

This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with the PHA, when the PHA initiates contact with a family including when a family applies, and when the PHA schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

**A physical, mental or emotional impairment that substantially limits one or more of the major life activities of an individual;**

**A record of such impairment; or  
Being regarded as having such an impairment**

### **Major life activities include, but are not limited to:**

**Caring for oneself  
Performing tasks  
Walking**

**Hearing  
Learning  
Seeing**

**Breathing  
Working**

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 5.403(a), individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Refer to the Reasonable Accommodation Procedure Manual for the detailed procedure.

## **E. TRANSLATIONS OF DOCUMENTS**

The Housing Authority has bilingual staff to assist Spanish-speaking families and has some documents available that are translated into Spanish.

In determining whether it is feasible to translate documents into other languages, the PHA will consider the following factors:

Number of applicants and participants who do not speak English and speak the other language.

Cost of translation into the other language per client who speaks the language.

Evaluation of the need for translation by the bilingual staff and by agencies that work with the non-English speaking clients.

The availability of organizations to translate documents, letters and forms for non-English speaking families.

Availability of bilingual staff to explain untranslated documents to clients.

## **F. FAMILY OUTREACH**

The PHA will publicize and disseminate information to make known the availability of housing assistance and related services for very low income families on a regular basis. When the PHA's waiting list is open, the PHA will publicize the availability and nature of housing assistance for very low income families in a newspaper of general circulation, minority media, and by other suitable means.

The PHA will also utilize public service announcements.

The PHA will communicate the status of housing availability to other service providers in the community, advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.



## **G. OWNER OUTREACH**

The PHA encourages owners of decent, safe and sanitary housing units to lease to Housing Choice Voucher families. The PHA maintains a list of units available, compiled by bedroom size, for the program and updates this list about every two weeks.

**The Housing Authority employs various methods to aid in the recruit of suburban property owners. Some of those methods are as follows:**

The staff of the PHA may initiate personal contact with private property owners and managers by conducting formal and informal discussions and meetings, and speaking at local organization meetings.

Printed material is offered to acquaint owners and managers with the opportunities available under the program.

The PHA has active participation with community based organizations, some comprised of private property and apartment owners and managers.

The PHA periodically evaluates the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted.

The PHA conducts informal meetings with participating owners to improve owner relations and to recruit new owners.

## **H. PRIVACY RIGHTS**

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD /PHA will release family information.

The PHA's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information.

In accordance with HUD requirements, the PHA will furnish prospective owners with the family's current address as shown in the PHA's records and, if known to the PHA, the name and address of the landlord at the family's current and prior address.

The PHA will furnish prospective owners with information about the family's rental history (i.e., inspection records, evictions, etc.), or any history of drug trafficking.

A statement of the PHA's policy on release of information to prospective landlords will be

included in the briefing packet which is provided to the family.

The PHA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

PHA staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

## **I. EQUAL EMPLOYMENT OPPORTUNITY**

The Lorain Metropolitan Housing Authority is an Equal Opportunity Employer. In compliance with the American's with Disabilities Act, the Housing Authority will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective employees and incumbents to discuss potential accommodations with the employer.

LMHA practices affirmative action in hiring, promotion and conditions of employment. Position vacancies are advertised in the Morning Journal, Chronicle Telegram, other local papers, with various Lorain County social service and employment agencies, and on LMHA's website. LMHA's recruitment practices will apply aggressive outreach to community-based racial and ethnic groups so that the composition and culture of the staff reflect the composition and culture of the community, to the extent possible. All PHA job postings will display the equal employment opportunity logo.

## **J. RULES AND REGULATIONS**

This Administrative Plan is set forth to define the PHA's local policies for operation of the housing programs in the context of Federal laws and Regulations. All issues related to HCV not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law.

## **K. MANAGEMENT ASSESSMENT OBJECTIVES**

The PHA operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the PHA is using its resources in a manner that reflects its commitment to quality and service. The PHA policies and practices are consistent with the areas of measurement for the following HUD SEMAP indicators:

- Selection from the Waiting List
- Reasonable Rent
- Determination of Adjusted Income
- Utility Allowance Schedule
- HQS Inspections and Enforcement
- Expanding Housing Opportunities
- FMR/exception rent & Payment Standards
- Annual Reexaminations
- Correct Tenant Rent Calculations
- Pre-Contract HQS Inspections
- Annual HQS Inspections
- Lease-up
- Family Self-Sufficiency Enrollment and Escrow Account Balances
- Bonus Indicator Deconcentration

Supervisory quality control reviews will be performed by a PHA Supervisor or other qualified person other than the person who performed the work, as required by HUD, on the following SEMAP indicators:

- Selection from the waiting list
- Rent Reasonableness
- Determination of adjusted income
- HQS Enforcement
- HQS Quality Control

The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail. The minimum sample size to be reviewed will relate directly to each factor.

### **Records for monitoring PHA performance:**

In order to demonstrate compliance with HUD and other pertinent regulations, the PHA will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor, and/or assess the PHA's operation procedures objectively and with accuracy and in accordance with SEMAP requirements with internal supervisory audits.

## **L. TERMINOLOGY**

Lorain Metropolitan Housing Authority is referred to as “PHA” or “Housing Authority” throughout this document.

“Family” is used interchangeably with “Applicant” or “Participant” and can refer to a single person family.

“Tenant” is used to refer to participants in terms of their relation to landlords.

“Landlord” and “owner” are used interchangeably.

“Disability” is used where “handicap” was formerly used.

“Non-citizens Rule” refers to the regulation effective June 19, 1995, restricting assistance to U.S. citizens and eligible immigrants.

The “Section 8 program” is also known as the “Housing Choice Voucher Program” established by the October 1, 1999, effective date of the merging of the Section 8 certificate and voucher programs.

“HQS” means the Housing Quality Standards required by regulations as enhanced by the PHA.

“Failure to Provide” refers to all requirements in the first Family Obligation.

“Merger date” refers to October 1, 1999, which is the effective date of the merging of the Section 8 Certificate and Voucher program into the Housing Choice Voucher Program.

See Glossary for other terminology.

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## Chapter 2

# ELIGIBILITY FOR ADMISSION

## INTRODUCTION

The policy of this PHA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The PHA staff will review all information provided by the family carefully. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation for the basis of any decision made by the PHA pertaining to their eligibility.

## A. ELIGIBILITY FACTORS

The PHA accepts applications only from families whose head or spouse is at least 18 years of age or emancipated minors under State Law.

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by the PHA.

The HUD eligibility criteria are:

An applicant must be a "family"

An applicant must be within the appropriate Income Limits

An applicant must furnish Social Security Numbers if one has been assigned or a certification indicating a SSN has not been assigned

An applicant must furnish declaration of Citizenship/Eligible Immigrant Status and verification where required

At least one member of the applicant family must be either a US Citizen or have eligible immigration status before the PHA may provide any financial assistance.

No assistance shall be provided under Section 8 of the 1937 Act to an individual who:

**Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965;**

Is under 24 years of age;

Is not a veteran of the United States military;

Is unmarried;

Does not have a dependent child, AND

Is not otherwise individually eligible, or has parents who, individually or jointly, are not

eligible on the basis of income to receive assistance under Section 8 of the 1937 Act. **(FED REG 4/10/06)**

Reasons for denial of admission are addressed in the “Denial or Termination of Assistance” chapter. These reasons for denial constitute additional admission criteria.

The Family’s initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors. Eligibility factors will be verified before the family is placed on the waiting list.

## **B. FAMILY COMPOSITION**

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 or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family. The PHA determines if any other group of persons qualifies as a “family.”

**A family also includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:**

- A family with or without children in which any of the household members are related by blood or marriage or adult members who provide assurance to LMHA, either by affidavit or other documentation, they consider themselves to be in a stable family relationship (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size.
- An elderly person or family
- A near-elderly person or family
- A disabled person or family
- A displaced person or family
- The remaining member of a tenant family; and
- A single person who is not elderly, disabled or displaced; (includes a pregnant woman with no children).
- One or more individuals (who have not attained the age of 18 years) being domiciled with –
  - a parent, or another person or other person having *or seeking* such custody, with the written permission of such parent or other person.
  - the designee of such parent or other person having *or seeking* such custody, with the written permission of such parent or other person.

### **Treatment of Single Applicants**

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

### **Head of Household**

The head of household is the **adult** member of the household, who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated 17 year old minors who qualify under State law will be recognized as head of household.

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

### **Spouse of Head**

Spouse means the husband or wife of the head.

For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

### **Co-Head**

An individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

### **Live-In Attendants**

A Family may include a live-in aide provided that such live-in aide:

- Is determined by the PHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

- Is not obligated for the support of the person(s), and

- Would not be living in the unit except to provide care for the person(s).

A live-in aide is treated differently than family members:

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.



Live-in aides are not subject to Non-Citizen Rule requirements.

Live-in aides may not be considered as a remaining member of the tenant's family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

Family members of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in's family members does not overcrowd the unit.

A Live-in Aide may only reside in the unit with the approval of the PHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, or disabled.

Verification must include the hours the care will be provided.

At any time, the PHA will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

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

The person commits drug-related criminal activity or violent criminal activity; or

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

### **Split Households Prior to Voucher Issuance**

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, the PHA will make the decision taking into consideration the following factors:

Which family member applied as head of household.

Which family member retains the children or any disabled or elderly members.

Restrictions that were in place at the time the family applied.

Role of domestic violence in the split.

Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting

list for failure to supply information requested by the PHA.

### **Multiple Families in the Same Household**

When families apply which consist of two immediate families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Joint Custody of Children**

Children who are subject to a joint custody agreement, but live with one parent at least 51% of the time, will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively.

Legal court documentation, school records, or other third-party verification will be requested to prove custody.

When both parents are on the Waiting List and both are trying to claim the child, the parents will be required to provide legal documentation, school records, or other 3<sup>rd</sup> party verification of custody.

## **C. INCOME LIMITATIONS**

To be eligible for assistance, an applicant must:

Have an Annual Income at the time of admission that does not exceed the very low income limits for occupancy established by HUD.

To be income eligible the applicant must be a family in the very low income category, which is a family whose income does not exceed 50% of the area median income. The PHA will not admit families whose income exceeds 50 percent of the area median income except those families included in 24 CFR 982.201 (b).

**To be income eligible the family may be under the low-income limit in any of the following categories:**

A very low income family.

A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within [30] days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.

A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

A low-income non-purchasing family residing in a project subject to a home ownership program under 24 CFR 248.173.

A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

A low-income family that qualifies for Voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program.

To determine if the family is income-eligible, the PHA compares the Annual Income of the family to the applicable income limit for the family's size.

Families whose Annual Income exceeds the income limit will be denied admission and offered an informal review.

Portability: For initial lease-up, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

#### **D. MANDATORY SOCIAL SECURITY NUMBERS**

The PHA requires all family members to supply social security numbers, regardless of age. Time is given for Social Security Application and the issuance of a number. Persons who have a Social Security number, but cannot locate verification, will be given time to obtain verification from the Social Security Office.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance in accordance with CFR 5.216.

#### **E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS**

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither, may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed."

Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students defined by HUD in the non-citizen regulations are not eligible for assistance.

Appeals. For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

### **Verification of Status Before Admission**

The PHA will provide assistance to families prior to the verification of eligibility for the individual or at least one member of the family pursuant to this section.

## **F. OTHER CRITERIA FOR ADMISSION**

**The PHA will apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.**

The family must not have violated any family obligations during a previous participation in the HCV program or while on the waiting list for 3 years prior to final eligibility determination.

The PHA may make an exception, if the family member who violated the family obligation is not a current member of the household on the application.

The family must pay any outstanding debt owed the PHA or another PHA as a result of prior participation in any federal housing program **in full in order to continue the application process.**

The family must be in good standing regarding any current payment agreement made with another PHA for a previous debt incurred, before this PHA will allow participation in its HCV program.

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

The family must be cleared of all charges or sentences relating to violent criminal

activity or drug related criminal activity for 3 years prior to final eligibility determination.

The family will be required to show completion of a drug rehabilitation program for prior substance abuse circumstances.

The family committed fraud or was evicted from a HUD subsidized property.

The PHA will check criminal history for all adult applicants and for addition of all adult members to the existing household.

[Refer to the LMHA Applicant Screening Process in Chapter 3, Section H for the complete description of the criminal history background check procedures.](#)

## **G. TENANT SCREENING**

The PHA will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

The PHA may screen family behavior or suitability for tenancy. The PHA will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy. The PHA will check against the County Sheriff's list of sexual offenders. The PHA will check all disclosed criminal records.

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 will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as:

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting 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.

The PHA will advise families how to file a complaint if they have been discriminated against by an owner. The PHA will advise the family to make a Fair Housing complaint. The PHA may also report the owner to HUD Fair Housing/Equal Opportunity or the local Fair Housing Organization.

## **H. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT**

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

## **I. INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See "Complaints and Appeals" for additional information about reviews and hearings.

## **J. PROHIBITED ADMISSIONS CRITERIA**

Admission to the program may not be based on where the family lives before admission to the program.

Admission to the program may not be based on:

Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock.

Discrimination because a family includes children.

Whether a family decides to participate in a family self-sufficiency program; or

Other reasons as listed in the “Statement of Policies and Objectives” chapter under the Fair Housing and Reasonable Accommodations sections.

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## Chapter 3

# APPLYING FOR ADMISSION

## INTRODUCTION

The policy of the PHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the PHA will also utilize this process to provide information for placement on the waiting list in accordance with this Plan.

## A. OVERVIEW OF APPLICATION TAKING PROCESS

The purpose of application taking is to permit the PHA to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information. Families who wish to apply for the PHA's Voucher program must complete an on-line application form when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability. This may include an on-line application.

When the waiting list is open, any family asking to be placed on the HCV waiting list will be given the opportunity to complete an on-line application.

Determination of eligibility to be placed on the waiting list occurs when an application form is completed, an interview is conducted, and the PHA ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility and placement on the waiting list.

**The final determination of eligibility occurs when the PHA conducts the final interview prior to voucher issuance to ensure verification of all HUD/PHA eligibility factors.**

## **B. OPENING/CLOSING OF APPLICATION TAKING**

The PHA, at its discretion, may restrict application intake, suspend application intake and close waiting lists in whole or in part. The PHA may open or close the list by local preference category.

The decision to close the waiting list will be based on the number of applicants on the waiting list and the ability of the PHA to house applicants within a reasonable period of time.

When the PHA opens the waiting list, the PHA will advertise through public notice in the following newspapers, minority publications and media entities the location(s) and program(s) for which applications are being accepted:

Chronicle Telegram, Lorain Journal, local radio, community service spots

Service organizations including, but not limited to, Lorain County Human Services, Urban League, El Centro, City Halls throughout Lorain County

The notice will contain:

Dates, times and the locations where families may apply.

Program(s) for which applications will be taken.

A brief description of the program.

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 PHA address and telephone number, how to submit an application, information on eligibility requirements, and if the waiting list is only open for a specific voucher category.

If the waiting list is open, the PHA will accept applications from eligible families unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for grounds stated in the “Denial or Termination of Assistance” chapter of this Plan.

### **Closing the Waiting List**

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 PHA will not maintain a list of individuals who wish to be notified when the waiting list is open.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover over the next 24 months. The PHA will give at least **5 days** notice prior to closing the waiting list. The PHA will announce the closing of the waiting list by public notice. When the period for accepting applications is over, the PHA will add the new applicants to the list by date and time of application.

The PHA may stop taking applications if there are enough applicants to fill anticipated openings for the next **12 to 24** months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

Any time that there are not enough applicants that can be housed within 6-12 months, the PHA may reopen the list.

Closing the waiting list is announced in the same way as opening the waiting list.

The open period will be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next **12 to 24** months. The PHA will give at least **5 days** notice prior to closing the list.

## Limits on Who May Apply

When the waiting list is open:

Any family asking to be placed on the waiting list for HCVP rental assistance will be given the opportunity to complete an application.

When the application is submitted to the PHA:

It establishes the family's date and time of application for placement order on the waiting list.

## C. APPLICATION PROCEDURES

The PHA will utilize an on-line application form to be completed by the applicant ~~whenever possible~~. An applicant with disabilities may request a reasonable accommodation. The purpose of the application is to permit the PHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The application will contain questions designed to obtain the following information:

- Names and birth dates of all family members
- Sex and relationship of all members
- Street Address of current residence and phone numbers
- Mailing Address (If PO Box or other permanent address)
- Amount(s) and source(s) of income received by household members
- Information regarding Disabilities relating to program requirements (i.e., deductions)
- Social Security Numbers
- Race/ethnicity
- Citizenship/eligible immigration status
- Arrests and/or Convictions** for Drug Related or Violent Criminal Activity
- Request for Specific Accommodation needed to fully utilize the program and services
- Program integrity questions regarding previous participation in HUD programs

Duplicate applications, including applications from a segment of an applicant household, will not be accepted. Ineligible families **will not** be placed on the waiting list.

Applications **will** require an interview. *The information on the application will be verified.* Final eligibility will be determined when the full application process is completed and all information is verified.

Failure to provide information or to respond to mailings will result in the applicant being denied

placement on the waiting list. See "Denial and Terminations" Chapter.

#### **D. APPLICANT STATUS WHILE ON WAITING LIST**

Applicants are required to inform the PHA **in writing within 10 business days** of changes in family composition, income and address. . The PHA will affect changes in a person's file only after the PHA has been notified and verification has been received. Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.

If the family is determined to be ineligible based on the information provided in the application, the PHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 19, "Complaints and Appeals."

## **E. TIME OF SELECTION**

When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size.

When there is insufficient funding available for the family at the top of the list, the PHA will not admit any other applicant until funding is available for the first applicant.

Based on the PHA's turnover and the availability of funding, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on waiting list sequence/completion of verification.

## **F. INFORMATION REQUIRED FOR ADMISSION**

### **Requirement to Attend Interview**

The PHA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other PHA services or programs which may be available.

All adult family members must attend the interview and sign the housing application. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.

**The head of household and all household members 18 years of age and older are required to attend the interview.**

If an applicant fails to appear for a prescheduled appointment, the PHA **will not automatically reschedule a second appointment, unless there is documentation of an emergency that prevented their attendance. Failure to attend the interview will result in removal from the waiting list unless documentation is provided or a reasonable accommodation request is granted.**

Reasonable accommodation will be made for persons with a disability who requires an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. See "Complaints and Appeals" chapter.

All adult members must sign the HUD Form 9886, Release of Information, **all supplemental forms required by the PHA**, the declarations and consents related to citizenship/immigration status and any other documents required by the PHA. Applicants will be required to sign specific verification forms for information which is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by the PHA.

If the PHA determines at or after the interview that additional information or document(s) are needed, the PHA will request the document(s) or information in writing. The family will be given a reasonable amount of time to supply the information. If the information is not supplied in this time period, the PHA will provide the family a notification of denial for assistance. See "Complaints and Appeals" chapter.

## **G. VERIFICATION**

Information provided by the applicant will be verified, using the verification procedures in the “Verification Procedures” chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of issuance of the Voucher **and lease up. For example, if the voucher is issued on July 16<sup>th</sup>, verifications cannot be older than May 16<sup>th</sup>. If the lease begins September 1<sup>st</sup>, verifications cannot be older than July 1<sup>st</sup>. See Earned Income Procedure.**

## **H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

After the verification process is completed, the PHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the PHA and the current eligibility criteria in effect.

If the family is determined to be eligible, the PHA will mail a notification of eligibility (in an accessible format upon request, as a reasonable accommodation). A briefing will be scheduled for the issuance of a voucher and the family’s orientation to the housing program.

If the family is determined ineligible, based on the information provided in the application, the PHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an **informal review**.

### **Applicant Screening Process**

The basis for ineligibility may include but is not limited to:

- ~~• Over Income — The applicant’s total family income is in excess of the admissions limits~~
- ~~• Age — The applicant family’s head of household is not at least 18 years of age~~
- ~~• False Information — The applicant family gave false or misleading information on the application for housing~~
- ~~• Other — The applicant does not meet other State or Federal Regulation or future LMHA policy set forth at the time of application~~
- ~~• Screening — The applicant or family member did not meet the screening criteria~~

(1) Over-income. The applicant’s family income exceeds the HUD published income limits for Lorain County.

(2) Misrepresentation. The applicant has committed fraud in connection with any federally assisted housing program, or has provided false information about their criminal history.

(3) Financial Obligation. The applicant has failed to meet financial obligations, especially rent; and/or currently owes rent or other amounts to LMHA in connection with a previous tenancy or Section 8 participation. The applicant is unable to secure utility service (gas



and/or electric). Solely at LMHA's discretion, an individual may be placed on the waiting list and lease a unit owing money to LMHA if LMHA determines the applicant merits another change in LMHA housing. An applicant owing money to LMHA must provide documentation to the Housing Authority which the PHA shall use to determine if the applicant merits housing prior to payment in full of the balance owing LMHA. The applicant shall be required to sign a repayment agreement indicating the payment schedule for the balance due LMHA. Failure to comply with the agreement shall result in removal from the waiting list or termination of the lease if the applicant has been housed.

- (4) A history of disturbing neighbors.
- (5) Incidents of property destruction.
- (6) Living or housekeeping habits which could adversely affect the health, safety or welfare of other tenants.
- (7) A history or pattern of criminal activity involving crimes to persons or property and/or other criminal acts that affect the health, safety, or right to peaceful enjoyment of the premises by other tenants.
- (8) Current or recent release from incarceration/parole/probation; or a community control program or any other court supervised intervention program which requires reporting to the court or agency.
- (9) An eviction from federally assisted housing or termination from the Housing Choice Voucher Program within three (3) years because of drug-related criminal activity of any household member. However, the household may be admitted if LMHA determines that the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by LMHA, or the circumstances leading to eviction no longer exist.
- (10) LMHA determines an applicant is illegally using a controlled substance.
- (11) LMHA has reasonable cause to believe an applicant illegally uses a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants.
- (12) The inability to abide by a lease, or being unable to legally enter into a lease.
- (13) Registration as a sexual offender. Persons subject to a lifetime sex offender registration under a State sex offender registration program are permanently prohibited from admission to housing.
- (14) Was previously evicted and/or moved out of LMHA public housing owing community service hours to LMHA as individual in housing or as individual as household member owing community service hours. To become eligible, the applicant must provide proof that all community service hours owed to LMHA upon move out have been fulfilled.
- (15) Persons convicted of the manufacture or production of methamphetamine in assisted

housing are permanently prohibited from admission to housing.

(16) Persons who are barred from LMHA property or properties.

(17) Family member is determined to be fleeing confinement for a felony.

LMHA retains the right, when extenuating circumstances exist, as determined solely by LMHA, to permit the admission of a family when one of the above ineligibility exists.

LMHA will not deny admission to public housing to any person because that person has been a victim of domestic violence, dating violence, stalking, or sexual assault provided that such person is otherwise qualified for such admissions.

LMHA will prohibit admission of a household to the housing program if LMHA determines that any household member is currently engaged in, or has engaged in, prohibited criminal activity during a reasonable time, referred to as a look-back period.

LMHA will complete a criminal history background check on all adult applicants. Criminal background checks must be performed in the state in which the housing is located and for states where the applicant and members of the applicant's household may have resided. As such, applicants for admission into the applicable HUD-assisted housing programs must provide a complete list of all states in which any household member has resided. Failure to accurately respond to any question during the application process is cause to deny the family admission.<sup>3</sup>

LMHA shall examine the records to determine if any household members have been involved in crimes of physical violence to persons or property or other criminal acts, drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff, or could cause damage to the unit or development. If the records demonstrate that an applicant has engaged in prohibited criminal activity during the look-back period, then LMHA shall propose denying the applicant housing.

The look-back period for felonies and misdemeanors which may reasonably impact community safety, such as domestic violence or concealed weapons offenses, is THREE (3) years. The look-back period for misdemeanors which may not reasonably impact community safety is ONE (1) year. The look-back periods apply from the date of conviction, release from detention/ incarceration, or completion of probation/parole, whichever is more recent, to the date of screening. Applicants with pending cases or outstanding arrest warrants may be proposed for denial of housing depending upon the nature or seriousness of the case. LMHA will afford the applicant the opportunity to participate in a hearing to discuss the case. LMHA may determine to defer a decision pending adjudication of the case.

LMHA must ensure that adverse housing decisions based upon criminal activity are supported by sufficient evidence that the individual engaged in such activity. Specifically, before LMHA denies admission to, terminates the assistance of, or evicts an individual or household on the basis of criminal activity by a household member or guest, LMHA must determine that the relevant individual engaged in such activity.<sup>1</sup>

The fact that an applicant or tenant was arrested for a disqualifying offense shall not be treated or regarded as proof that the applicant or tenant engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the applicant or tenant actually engaged in disqualifying criminal activity. As part of its investigation, LMHA may obtain the police report(s) associated with the arrest and consider the reported circumstances of the arrest. LMHA may also consider any statements made by witnesses or the applicant or tenant not included in the police report; whether criminal charges were filed; whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal; and any other evidence relevant to determining whether or not the applicant or tenant engaged in disqualifying activity.<sup>2</sup>

LMHA shall consider all of the circumstances relevant to the particular admission or eviction decision, including but not limited to: the seriousness of the offending action; the effect that eviction of the entire household would have on family members not involved in the criminal activity; and the extent to which the applicant/leaseholder has taken all reasonable steps to prevent or mitigate the criminal activity. Additionally, when specifically considering whether to deny admission or terminate assistance or tenancy for illegal drug use by a household member who is no longer engaged in such activity, LMHA may consider whether the household member is participating in or has successfully completed a drug rehabilitation program, or has otherwise been rehabilitated successfully.<sup>1</sup>

LMHA may not base a determination that an applicant or household engaged in criminal activity warranting denial of admission, termination of assistance, or eviction on a record of arrest(s).<sup>1</sup>

LMHA may make an adverse housing decision based on the conduct underlying an arrest if the conduct indicates that the individual is not suitable for tenancy and LMHA has sufficient evidence other than the fact of arrest that the individual engaged in the conduct. The conduct, not the arrest, is what is relevant for admissions and tenancy decisions.<sup>1</sup>

Reliable evidence of a conviction for criminal conduct that would disqualify an individual for tenancy may also be the basis for determining that the disqualifying conduct in fact occurred. Official record of a person's conviction in a court of law is the best evidence of the person's involvement in disqualifying criminal activity.<sup>2</sup>

Only in limited and specific cases of criminal activity do HUD statutes and regulations require denial of admission or termination of assistance (and in only two cases—where someone has been convicted of producing methamphetamine in federally-assisted housing or must register as a lifetime sex offender—is someone permanently barred). In all other cases, LMHA has discretion to consider any mitigating circumstances in making admission and eviction decisions.<sup>2</sup>

Federal law requires that LMHA must provide public housing, project-based Section 8, and HCVP applicants with notification and the opportunity to dispute the accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record. Public housing, HCVP, and project-based Section 8 applicants also must be afforded the right to request an informal hearing or review after an application for housing assistance is denied.<sup>1</sup>

When LMHA makes the decision to propose rejection of an applicant on the basis of a criminal record, LMHA must provide the applicant with a written notice stating the reason for the proposed rejection, provide the household member whose criminal history is in question a copy of the criminal record, advise of the applicant's right to respond to LMHA in writing or to request a meeting within a specific timeframe, ten (10) business days to dispute the proposed rejection, and advise that persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.<sup>2</sup>

LMHA must offer the family the opportunity to remove the ineligible family member from the household in order to be admitted if that household member has participated in or been culpable for criminal actions that warrant rejection.<sup>3</sup>

During the admissions process, the LMHA may learn that a household member has an open warrant or a case is pending a hearing. While it may be advisable to wait until the arrest disposition, especially if the disposition is imminent, LMHA has the discretion to use the available evidence to make an eligibility determination according to the standards in this policy.<sup>2</sup>

Mitigating circumstances may cause an otherwise rejected application to be accepted under certain circumstances. Mitigating circumstances are facts relating to the applicant's negative behavior, that, when verified, indicate that the reasons for the unsuitable behavior no longer exist or are under control, and that the applicant's prospect for lease compliance is an acceptable one, justifying admission. Mitigating circumstances would overcome or outweigh information already gathered in the screening process.

In all instances where unfavorable information would cause an applicant family to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the

applicant (by means of interview), social workers, parole officers, employers, educators, public officials, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

If, during the meeting with the Hearing Officer, the applicant asserts that there are mitigating circumstances which LMHA should consider before rendering a final decision, then the applicant shall be afforded ten (10) business days to provide such evidence.

LMHA shall consider the time, nature and extent of the applicant's conduct (including any reasonable explanation therefore) and the factors that might indicate a reasonable probability of favorable future conduct.

Mitigating factors to be considered include but are not limited to the following:

- Evidence of successful treatment, i.e., completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse;
- Evidence of applicant's family's participation in social service or appropriate counseling service;
- Evidence of successful and sustained modification of previously disqualifying behavior;
- Offending individual no longer part of the household;
- Letter of support from a judge or court administration suggesting that the offending individual will not be placing the health and or safety of other residents at risk.

A decision by the hearing officer in favor of LMHA, i.e., supporting that the applicant be denied housing, shall not constitute a waiver of, nor effect in any way, the rights of the applicant to a trial or judicial review in any judicial proceedings which may thereafter be brought in the matter.

An applicant's status may be changed when additional information is discovered or received prior to the applicant leasing the unit which may be cause to determine the applicant ineligible. Once all additional relevant information is received, the applicant will be returned to the waiting list or removed from the waiting list due to ineligibility.

<sup>1</sup>Source: Notice PIH 2015-19

<sup>2</sup>Source: FAQs for Notice PIH 2015-19 / H 2015-10

<sup>3</sup>Source: Notice PIH 2012-28 / H 2012-11

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## Chapter 4

# MAINTAINING THE WAITING LIST

## **INTRODUCTION**

It is the PHA's objective to ensure that the families are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in the Administrative Plan.

This chapter explains how the PHA maintains the HCVP waiting list to meet local housing needs, defines the eligibility criteria and explains the PHA's system of applying them.

By maintaining an accurate waiting list, the PHA will be able to perform the activities which ensure that an adequate pool of a qualified applicant will be available so that program funds are used in a timely manner.

## **A. WAITING LIST**

The PHA uses a single waiting list for admission to its HCV tenant-based assistance program.

Except for Special Admissions, applicants will be selected from the PHA waiting list in accordance with policies defined in the Administrative Plan.

The PHA will maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each applicant listed:

- An applicant name
- Family unit size (# of bedrooms family qualifies for under subsidy standards)
- Family type (Family, disabled, elderly, single)
- Date and time of application
- Racial or ethnic designation of the head of household
- Singles preference status

## **B. SPECIAL ADMISSIONS**

If HUD awards a PHA program funding that is targeted for specifically named families, the PHA will admit these families under a Special Admission procedure. Special admission's families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The PHA maintains separate records of these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

A family displaced because of demolition or disposition of a public or Indian housing project;

A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;

For housing covered by the Low Income Housing Preservation and Resident Home ownership Act of 1990;

A family residing in a project covered by a project-based HCV HAP Contract at or near the end of the HAP Contract term; and

A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

Applicants admitted under targeted funding, who are not identified as a Special Admission, are identified by codes in the automated system.

**In the event there is a funding shortfall, all Special Purpose Vouchers are the last to be terminated and the first to be leased when leasing resumes. (09/2012)**

## **C. WAITING LIST PREFERENCES**

The PHA will no longer apply a system of local preferences as of December 1, 2015.

Applications will be ordered by date and time of application.

If an applicant makes a false statement in order to qualify, the PHA may choose to deny admission to the program for the family depending on the deliberate action to commit fraud.



## **D. LOCAL PREFERENCES**

If the PHA is using a preference system, the PHA must inform all applicants about available preferences and must give applicants an opportunity to show that they qualify for available preferences. Preferences apply to head, spouse or co-head. **The PHA has determined to eliminate local preferences as of December 1, 2015.**

## **E. INCOME TARGETING**

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year the PHA will reserve a minimum of 75 percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as “extremely low-income families.” The PHA will admit families who qualify under the Extremely Low Income limit to meet the income targeting requirement.

The PHA’s income targeting requirement does not apply to low income families continuously assisted as provided for under the 1937 Housing Act.

The PHA is also exempted from this requirement where the PHA is providing assistance to low income or moderate income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

## **F. TARGETED FUNDING**

When HUD awards special funding for certain family types, families who qualify are placed on a waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria. Applicants, admitted under targeted funding, who are not identified as a Special Admissions are identified by codes in the automated system.

The PHA has the following “Targeted” Programs:

Mainstream for persons with disabilities

~~Shelter Plus Care~~

Veterans Affairs Supportive Housing

Non-Elderly Disabled applicants

In the event there is a funding shortfall, LMHA’s HCV program will absorb the current participants of the Shelter Plus Care program.

## **G. CHANGES AND INCOME TARGETING ELIGIBILITY**

### **Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement. Applicants are required to notify the PHA in writing **within 10 days** when their circumstances change.

If the family’s verified annual income, at final eligibility determination, does not fall under the Extremely Low Income limit, and the family was selected for income targeting purposes before families with a higher date and time, the family will be returned to the waiting list.

### **Other Housing Assistance**

Other housing assistance means a federal, state, or local housing subsidy as determined by HUD, including public housing. The PHA may not take any of the following actions because an applicant has applied for, received, or refused other housing:

Refuse to list the applicant on the PHA waiting list for tenant-based assistance;

Change the applicant’s place on the waiting list based on date and time of application or other factors affecting selection under the PHA policy; or

Remove the applicant from the waiting list.

However, the PHA may remove the applicant from the waiting list for tenant-based assistance if the PHA has offered the applicant assistance under the voucher program.

### **Cross-Listing of Public Housing and HCV**

The PHA will not merge the waiting lists for public housing and HCV. However, if the HCV Program waiting list is open when the applicant is placed on the public housing list, the PHA must offer to place the family on both lists. **The applicant must meet eligibility requirements for the waiting list. CFR 982.205(a)(2).**

## **H. ORDER OF SELECTION**

The PHA's method for selecting applicants from a waiting list leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the administrative plan. Should two or more eligible applicants have an identical date and time of application, placement on the waiting list shall be determined by any relevant state or federal regulations.

### **Local Preferences**

Local preferences will no longer be used to select families from the waiting list.

## **I. REMOVAL FROM WAITING LIST AND PURGING**

The waiting list may be purged no more than annually 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 to a mailing from the PHA, the applicant will be sent a second written notification and given **10** business days to contact the PHA. If they still fail to respond, they will be removed from the waiting list. An extension will be considered an accommodation if requested by a person with a disability.

Any second/final mailings to the applicant which require a response will state that failure to respond within a specified time frame will result in the applicant's name being dropped 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 will not be entitled**

to reinstatement unless they can provide documentation proving circumstances were beyond the person's control (i.e., a medical emergency). (SG 2013) [A file may be reactivated one time. If a file is inactivated for a second time, the applicant must reapply.](#)

## **J. LMHA VIOLENCE AGAINST WOMEN ACT POLICY**

Recipients of HCV benefits have certain rights under the Violence Against Women Act (VAWA), 42 U.S.C. 1437 *et seq.*

Being a victim of VAWA would not keep the applicant from receiving assistance if they are otherwise eligible. The victim does have to comply with submission of required documents and forms.

See full Lorain Metropolitan Housing Authority Policy in the Appendix Section of this Administration Plan.

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## Chapter 5

# SUBSIDY STANDARDS

## **INTRODUCTION**

HUD guidelines require that PHAs establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards.

## **A. DETERMINING FAMILY UNIT (VOUCHER) SIZE**

The PHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The PHA's subsidy standards for determining voucher size will be applied in a manner consistent with Fair Housing guidelines.

For subsidy standards, an adult is a person 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.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

Generally, the PHA assigns one bedroom to two people with the following exceptions and guidelines:

Persons of different generations will be given separate bedrooms.

*Generation is defined as children of the same sex where there is a difference in age by 10 years. **The Housing Authority has discretion to grant separate bedrooms for same sex minors upon the family's request if there is strong evidence to support such request. This request must be approved by HCVP supervising staff.***

Persons of the opposite sex (other than adults who have a spousal relationship, and children under the age of 5).

**The Housing Authority has discretion to grant separate bedrooms for same sex adults that are five years apart who would generally be sharing a bedroom. (2014)**

Foster children will be included in determining unit size only if they will be in the unit for more than 12 months.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

Space may be provided for a child who is away at school but who lives with the family during school recesses.

Space will not be provided for a family member who will be absent most of the time, such as a member who is away in the military.

Single person families will be allocated a one bedroom.

#### GUIDELINES FOR DETERMINING VOUCHER SIZE

Voucher Size	Persons in Household (Minimum #)
0 Bedroom	1
1 Bedroom	1
2 Bedrooms	1
3 Bedrooms	3
4 Bedrooms	5
5 Bedrooms	7
6 Bedrooms	9

## **B. EXCEPTIONS TO SUBSIDY STANDARDS**

The PHA will grant exceptions from the subsidy standards if the family requests and the PHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

The PHA will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need, such as a:

Verified medical or health reason; or

Elderly persons or persons with disabilities who may require a live-in attendant

### **Request for Exception to Subsidy Standards**

The family may request a larger sized voucher than indicated by the PHA's subsidy standards. Such request must be made in writing within 14 business days of the PHA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size. Documentation verifying the need or justification will be required as appropriate.

The PHA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

Requests based on health related reasons must be verified by a doctor, medical professional, or social service professional.

### **PHA Error**

If the PHA errs in the bedroom size designation, the family will be issued a Voucher of the appropriate size.

### **Changes for Applicants**

The voucher size is determined prior to the briefing by comparing the family composition to the PHA subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of the PHA subsidy standards, the above referenced guidelines will apply. It is the discretion of the PHA to approve or deny revision of the voucher size if adding additional household members.



## **Changes for Participants**

The members of the family residing in the unit must be approved by the PHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the PHA within 14 business days.

## **Underhoused and Overhoused Families**

If a unit does not meet HQS space standards due to an increase in family size (unit too small), the PHA will issue a new voucher and assist the family in locating a suitable unit.

The PHA will also notify the family of the circumstances under which an exception will be granted, such as:

If a family with a disability is under-housed in an accessible unit.

If a family requires the additional bedroom because of a health problem which has been verified by the PHA.

### **C. UNIT SIZE SELECTED**

The family may select a different size dwelling unit than that listed on the Voucher. There are three criteria to consider:

Subsidy Limitation: The family unit size as determined for a family under the PHA subsidy standard for a family assisted in the voucher program is based on the PHA's adopted payment standards. The payment standard for a family will be the *lower of*:

The payment standard amount for the family voucher size; or

The payment standard amount for the unit size rented by the family.

Utility Allowance: The utility allowance used to calculate the gross rent is based on the **lesser of the unit size or the size authorized on the family's Voucher. (2015)**

Housing Quality Standards: The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. **The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.\*\***

#### HQS GUIDELINES FOR UNIT SIZE SELECTED

<b>Unit Size</b>	<b>Maximum # in Household</b>	<b>** see explanation above</b>
0 BR	1	1
1 BR	2	4
2 BR	4	6
3 BR	6	8
4 BR	8	10
5 BR	10	12
6 BR	12	14

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## Chapter 6

# FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION

## INTRODUCTION

The PHA will use the methods as set forth in the Administrative Plan to verify and determine that family income at admission and at annual reexamination is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. The PHA's policies in this Chapter address those areas which allow the PHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

## A. INCOME AND ALLOWANCES

Income: All amounts, monetary or not, that go to or are on behalf of, the family head or spouse (even if temporarily absent) or to any other family member, or all amounts anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In accordance with this definition, all income which is not specifically excluded in the regulations is counted.

Annual Income is defined as the gross amount of income anticipated being received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions.

HUD has five allowable deductions from Annual Income:

1. Dependent Allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 or older and full-time students or who are disabled.
2. Elderly/Disabled allowance: \$400 per family whose head or spouse is 62 or over or disabled. **This includes clients who receive the Disability Financial Assistance from ODJFS. The maximum cash benefit is \$115 per month for one person and \$159 per month for two people.**
3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.
4. Child Care Expenses: Deducted for the care of children under 13 when child care is necessary to allow an adult member to work, attend school, or actively seek employment.
5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an **adult** family member to work.

### **Minimum Rent**

**The LMHA Board approved (2013) changing the minimum rent from zero to \$50 from previous resolution 8/20/03. See policy.** Minimum rent will be implemented, at the discretion of the LMHA, with a 60 day notice to HCVP participants.

The PHA will use the following as a guide for included and excluded income:

#### ***Income Inclusions***

***(Housing Choice Voucher Program Guidebook pg 5-14)***

- (1) The full amount, before any payroll deductions, of wages and salaries (including seasonal employment), overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from 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 a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (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 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 payments received from social security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see No. 13 under Income Exclusions);
  - (5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see No. 3 under Income Exclusions);
  - (6) Welfare Assistance.
    - a. Welfare assistance received by the household.
    - b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.
    - c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:
      - i. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
      - ii. The maximum amount that the welfare 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 persons not residing in the dwelling; and
  - (8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (7) under Income Exclusions).

### **Income Exclusions**

- (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 individuals 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 (but see No. 5 under Income Inclusions);
- (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 by regulation);
- (6) 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;
  - (a) Amounts received under training programs funded by HUD;

- (b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - (c) 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;
  - (d) A resident service stipend. This is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and 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; or
  - (e) 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.
- (8) Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (Notice PIH 2000-1)
  - (9) Reparations 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;
  - (10) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
  - (11) Adoption assistance payments in excess of \$480 per adopted child;
  - (12) Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments;
  - (13) 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;
  - (14) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and
  - (15) 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 the 1937 Act. A notice will be published in the Federal Register and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:
    - a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
    - b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
    - c) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
    - d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
    - e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
    - f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L-94-540, 90 Stat. 2503.04);

- g) The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
  - h) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087 uu). **For Section 8 programs only (42 USC 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 USC 1001 et seq), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 USC 1002)), shall not be considered income to that individual if that individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327)(as amended).**
  - i) Payments received from programs funded under Title V of the Older American Act of 1985 (42 U.S.C. 3056(f));
  - j) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agen-produce liability litigation, M.D.L. No 381 (E.D.N.Y.);
  - k) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C.1721);
  - l) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
  - m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
  - n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
  - o) Allowances, earnings and payment to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C.12637(d));
  - p) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
  - q) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).
  - r) **Any amount received under the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C. 1780 (b)), including reduced-priced lunches and food under the Special Supplemental Food Program for Women, Infants and Children (WIC);**
  - s) **Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));**
  - t) **Payments from an deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501);**
  - u) **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) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101) and administered by the Office of Native American Programs; and**
  - v) **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., United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291).Show citation box**
  - w) **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 shall not be considered as income or a resource when determining eligibility for or benefit programs (42 USC 5155(d)).**
- (16) Earned Income Disallowance for persons with disabilities [24CFR5.617]
- (a) Initial Twelve Month Exclusion [24CFR5.617(C)(1)]
  - (b) Second Twelve Month Exclusion and Phase-In [24CFR5.617(C)(2)]
  - (c) Maximum Four Year Disallowance [24CFR5.617(C)(3)]



## **B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES**

Between 4/20/01 and 3/15/02, the disallowance was available only to disabled members of disabled families. Technical amendments published 2/13/02 extended the disallowance to all qualifying family members with disabilities effective 3/15/02. Exclusion of income during participation in training programs under 24 CFR 5.609 is still applicable.

The annual income for *qualified* families may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continuing for a 12-month period. After the qualified family receives 12 months of the full exclusion, annual income will include a phase-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that is receiving tenant-based rental assistance under the Housing Choice Voucher program, and

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;

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 TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

**The HUD definition of “previously unemployed”** includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

**The HUD definition of economic self-sufficiency program** is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job-training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

### **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 income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.

### **Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD 50058 form. The following documentation will be included in the family's file:

Name of the family member whose earned income increased

Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income

Amount of the increase in earned income (amount to be excluded)

Date the increase in earned income was reported by the family

Date the increase in income is first excluded from annual income

Date(s) earned income ended and resumed during the initial 12-month period of exclusion (if any)

Date the family member has received a total of 12 months of the initial exclusion

Date the 12-month phase-in period began

Date(s) earned income ended and resumed during the second 12-month period (phase-in) of exclusion (if any)

Date the family member has received a total of 12 months of the phase-in exclusion

Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)

### **C. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**

The PHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the PHA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

“Temporarily absent” is defined as away from the unit for more than 90 days. Incarceration is not considered temporarily absent.

If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. The PHA will evaluate absences from the unit using this policy.

#### **Absence of Entire Family**

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the PHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify the PHA before they move out of a unit and to give the PHA information about any family absence from the unit.

Families must notify the PHA prior to leaving the unit if they are going to be absent from the unit for more than 14 consecutive days.

If the entire family is absent from the assisted unit for **30** consecutive days (**without prior notice to the PHA**), the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit longer than the time specified in this Plan, the PHA will not continue assistance payments.

Family households with one adult member will be terminated from the program if they are incarcerated for a period of more than 30 days, not to exceed 180 days without prior notice to the PHA for charges other than alcohol/drug related activity and/or violent criminal activity. Such charges are an automatic termination.

In order to determine if the family is absent from the unit, the PHA may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Contact the landlord
- Check with the Post Office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

### **Absence of Any Member**

Any member of the household will be considered permanently absent if s/he is away from the unit for 90 consecutive days except as otherwise provided in this Chapter. Incarceration of more than 30 days is cause for termination; not to exceed 180 days without prior notice to the PHA for charges other than alcohol/drug related activity and/or violent criminal activity. Such charges are an automatic termination.

The family will be required to notify the PHA in writing within 14 business days when a family member moves out. The notice must contain a certification by the family as to whether the member is permanently or temporarily absent.

### **Absence due to Medical Reasons**

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the PHA 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 **90** consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the PHA's "Absence of Entire Family" policy.

If the person with medical reasons (not drug-related) is absent for more than 90 days and terminated from the program, they may submit a written request to be reinstated to the program within one year of the date they became absent from their unit, should they be able to participate in the program again. An informal review will be held, and if it is established they would qualify for assistance, the person will be placed at the top of the waiting list and receive a Voucher when funding is available.

### **Absence due to Incarceration**

The PHA will determine if the reason for incarceration is for drug-related or violent criminal activity. This would constitute termination of assistance.

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 30 consecutive days.

### **Absence of Children Due to Placement in Foster Care**

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PHA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than **6** months from the date of removal of the child/children, the Voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the PHA's subsidy standards.

The PHA will work with Children's Services Professionals if an exception is requested.

### **Care Taker For Children**

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the PHA will treat that adult as a visitor for the first **60** days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the PHA will review the status at **30 day** intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the PHA will secure verification from social services staff or the attorney as to the status.

The caretaker may be allowed to remain in the unit, as a visitor, until a determination of custody is made.

The PHA may transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 120 days and it is reasonable to expect that custody will be granted.

When the PHA approves a person to reside in the unit as caretaker for the child/children, the income should be counted pending a final disposition. The PHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than **3** months, the person will be considered permanently absent.

The family will be required to notify the PHA in writing within 14 business days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

### **Absence Due to Full-Time Student Status**

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Voucher size.

## Visitors

Any adult not included on the HUD 50058, who has been in the unit more than **14** consecutive days or a total of **90** days in a 12-month period, will be considered to be living in the unit as **an unauthorized** household member.

Absence of evidence of any other residency address will be considered verification that the visitor is a family member.

Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary will be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the PHA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to **120** days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than **183** days per year, the minor will be considered to be an eligible visitor and not a family member.

## Reporting Additions to Owner and PHA

Reporting changes in household composition to the PHA is both a HUD and a PHA requirement.

The family obligations require the family to request PHA approval to add any other family member as an occupant of the unit and to inform the PHA of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing.

If the family does not obtain prior written approval from the PHA, any person the family has permitted to move in will be considered an unauthorized household member.

In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to the PHA in writing within **14 business days** of the maximum allowable time.

Families are required to report any additions to the household in writing to the PHA within 14 business days of the move-in date.

An interim reexamination may be conducted for any additions to the household.

**In addition, the PHA will require the family to obtain written approval from the owner when there are changes in family composition other than birth, adoption or court-awarded custody.**

Per LMHA HCV Program policy, the family is obligated to:

*24 CFR 982.551(h)(2)* - Promptly inform the PHA of the birth, adoption or court-awarded custody of a child

*24 CFR 982.551(h)(2)* - Request PHA approval to add any other family member as an occupant of the unit

The members of the family residing in the unit must be approved by the PHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the PHA within 14 business days.

The PHA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

Requests based on health related reasons must be verified by a doctor, medical professional, or social service professional.

We should consider the family composition as the people who are directly related to the head of household, spouse or co-head:

An adult man or woman as head of household, spouse or co-head

Spouse (marriage certificate required)

Boyfriend/Girlfriend (spousal relationship self-certification required)

His/Her born children (must have legal custody)

Minors of relatives (must have legal custody or placement through an agency)

Adopted or Foster Children (documentation showing such)

Other scenarios that could be approved:

Adult head wishes to add Mother or Father or Grandparent

Mother, Father or Grandparent wishes to add adult daughter/son with or without children

Brother/Sister wishes to add terminally ill adult brother/sister

Brother/Sister wishes to add an individual sibling (excludes sibling with significant other and/or with children)



Please note that extended family (aunt, uncle, cousins) are not included above.

Also, boyfriend/girlfriend of minor or non-minor is not included. If additional family members are two separate families, the PHA will not allow the addition. For example, head of household with two children adding adult daughter, husband and two children. This causes two families. The PHA will deny this request.

*The only exception that can be made for this is under the health or disability area which would require documentation to prove the need. **The accommodation must be made on behalf of a current HCVP participant.***

**If the adult head of household, spouse or co-head would like to add their adult grandchild(ren), we will consider the following factors and act accordingly:**

**If the adult grandchild(ren) had resided in the unit previously while on the program, we will allow them to be readmitted, contingent upon approval and positive background check.**

**If the adult grandchild(ren) had not lived in the unit previously, we would deny the addition, unless adding the family member would be a reasonable accommodation for a person with a disability.**

## **Reporting Absences to the PHA**

Reporting changes in household composition is both a HUD and a PHA requirement.

If a family member leaves the household, the family must report this change to the PHA, in writing, within **14 business** days of the change and certify as to whether the member is temporarily absent or permanently absent.

The PHA will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

## **D. AVERAGING INCOME**

When Annual Income cannot be anticipated for a full twelve months, the PHA may:

Average known sources of income that vary to compute an annual income, or

Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If, by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so as to reduce the number of interim adjustments.

The method used depends on the regularity, source and type of income.

## **E. MINIMUM INCOME**

There is no minimum income requirement. **Families who report zero income are required to complete a written certification once a year.**

Families that report zero income and families with expenses exceeding their known income will be required to provide written information regarding their accessible resources and means of basic subsistence (food, daily personal items, utilities, phone, transportation, cable, etc.) on a quarterly basis.

## **F. REGULAR CONTRIBUTIONS AND GIFTS**

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment. Any contribution or gift received every 3 months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than **\$480** per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures" chapter)

If the family's expenses exceed its known income, the PHA will require the family to provide written information regarding their accessible resources and means of basic subsistence (food, daily personal items, utilities, phone, transportation, cable, etc.) on a quarterly basis.

## **G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**

If a family member is permanently confined to a hospital or nursing home, and there is a family member left in the household, the PHA will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

Exclude the income and deductions of the member if his/her income goes directly to the facility.

Include the income and deductions of the member if his/her income goes to a family member. Payments by the family member to the facility may be considered medical deductions, if documented and verified.

## **H. ALIMONY AND CHILD SUPPORT**

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the PHA must use the amount awarded by the court unless the family can provide documentation that they are not receiving the full amount.

It is the family's responsibility to supply a certified copy of the divorce decree.

## **I. LUMP-SUM RECEIPTS**

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments, which have accumulated due to a dispute, will be treated the same as periodic payments which are deferred due to delays in processing.

Lump-sum payments caused by delays in processing periodic payments such as unemployment, child support or welfare assistance are counted as income.

The PHA will determine the likelihood of the family receiving another similar payment(s) within the next twelve months before deciding whether or not this amount should be included in the calculation of annual income. To make this determination, the PHA will need more information from the family and the third party making the payment(s). If the PHA determines and can appropriately verify that the tenant in all likelihood will not receive a similar payment the following year, then the amount should not be considered when calculating annual income. On the other hand, if the PHA determines that it is likely that the tenant will receive a similar payment and can appropriately verify it, the amount should be included in annual income at the family's annual reexamine.

The income will not be added during an interim.

### **Retroactive Calculation Methodology**

If the payment is not reported on a timely basis, the PHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

The PHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the PHA.

The family will be offered a choice of paying this "retroactive" amount to the PHA in a lump sum, or at the PHA's option, the PHA may enter into a Repayment Agreement with the family. The amount owed by the family is a collectible debt even if the family becomes unassisted.

## Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

## **J. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS**

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

## **K. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000.00. If the total value of assets disposed of within a one-year period is less than \$1,000.00, they will not be considered an asset.

## **L. CHILD CARE EXPENSES**

Child care expenses for children age 12 and under may be deducted from annual income if they enable an adult to work, attend school, or actively seek employment (schedules may be requested by the PHA).

In the case of a child attending school, only pre-hours or after-hours care can be counted as child care expenses.

Examples of those adult members who would be considered *unable* to care for the child include:

The abuser in a documented child abuse situation, or

A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allowability of deductions for child care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work.

The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

The amount paid for child care is affordable to the family based on their monthly expenses as shown on the Personal Declaration

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).

Amount of Expense: The expenses incurred to enable a family member to work may not exceed the amount earned.

## **M. MEDICAL EXPENSES**

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense and will be counted if the family furnishes legible receipts.

## **N. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES**

### **Applicability**

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

### **Prorated Assistance Calculation**

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Calculations for the housing program are performed on the HUD 50058.

#### **CALCULATING PRORATED ASSISTANCE**

Assistance for mixed families is calculated based on the percentage of eligible individuals in the household. There are five steps in the calculation.

#### ***Steps***

#### ***Example***

1. Determine the gross rent for the unit (rent to owner plus the utility allowance).

1. Rent to owner	\$500
Utility allowance	<u>+ \$50</u>
Gross rent	\$550

2. Determine the HAP, taking into consideration the income of all family members, regardless of their eligibility status.

2. HAP = \$300

3. Divide the number of eligible family members (citizens and those with eligible immigration status) by the total number of members in the household.

3.  $\frac{3 \text{ eligible family members}}{4 \text{ total family members}}$   
.75 proration factor

4. Multiply the HAP calculated in Step 2 by the number calculated in Step 3 to determine the family's eligible subsidy portion.

4. Prorated HAP =  $\$300 \times .75 = \$225$

5. The amount of rent the family will pay will be the gross rent for the unit (step 1) less the prorated HAP calculated in Step 4.

5. Prorated Family Share
\$550 Gross rent
<u>- \$225 Prorated HAP</u>
\$325 Prorated Family Share

## **O. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

The PHA will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

Fraud by a family member in connection with the welfare program; or

Failure to participate in an economic self-sufficiency program; or

Noncompliance with a work activities requirement

However, the PHA will reduce the rental contribution if the welfare assistance reduction is a result of:

The expiration of a lifetime limit on receiving benefits; or

A situation where a family member has not complied with other welfare agency requirements; or

A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of the sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.



### **Verification before denying a request to reduce rent**

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction.

At the request of the PHA, the Welfare Agency will be asked to provide: the amount and term of the specified welfare benefit reduction for the family, reason for the reduction, and subsequent changes in term or amount of reduction.

The PHA has taken a proactive approach to creating an effective working relationship with the local welfare agency.

## **P. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS**

The same Utility Allowance Schedule is used for all tenant-based programs. The Utility allowance is intended to help defray the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative household that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual consumption.

The PHA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standard.

The PHA may not provide any allowance for nonessential utility costs, such as cable, satellite television, or phone.

The PHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, cooking, water heating, water/sewer, trash collection, other electric, refrigerator (for tenant-supplied refrigerator), range (for tenant-supplied range), and other special services as designated by the PHA.

The PHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

The approved utility allowance schedule is given to families at the briefing. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, the PHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a **36**-month period.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family, the PHA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant.

Changes In Utility Responsibility: If an owner chooses to make a change in the utility responsibilities, the most recent 'Pass' inspection date on the unit cannot be any older than 90-days prior to the effective date of the change in utility responsibilities. If the most recent 'Pass' inspection date exceeds the 90-day threshold, a new inspection will be required.

## Chapter 7

# VERIFICATION PROCEDURES

## **INTRODUCTION**

HUD Regulations require that the factors of eligibility and Total Tenant Payment/Family Share be verified by the PHA. PHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to the PHA whenever information is requested. The PHA's verification requirements are designed to maintain program integrity. This Chapter explains the PHA's procedures and standards for verification of income, assets, allowable deductions, family status, and changes in family composition. The PHA will obtain proper authorization from the family before requesting information from independent sources.

## **A. METHODS OF VERIFICATION AND TIME ALLOWED**

The PHA will verify information through the five methods of verification acceptable to HUD in the following order:

- Upfront Income Verification (UIV) using HUD's EIV system (see policy in appendix section of this document)
- Upfront Income Verification (UIV) using non-HUD system
- Written Third Party Verification
- Written Third Party Verification Form
- Oral Third Party Verification
- Tenant Declaration

The PHA will allow **2 weeks** for return of third-party verifications and **14 business days** to obtain other types of verifications before going to the next method. The PHA will document the file as to why third party written verification was not used.

For applicants, verifications may not be more than 60 days old at the time of Voucher issuance. **(See Chapter 3, Section G for further details.)** For participants, they are valid for up to 120 days from date of receipt.

### **Third Party Verification Techniques**

**Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to all PHAs as a UIV technique. PHAs are encouraged

to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

**Written Third Party Verification (Level 4):** An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the HUD's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available information.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). The PHA will send the form directly to the third party source by mail, fax, or email. The family will be required to sign an authorization for the information source to release the specified information.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information. Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to note with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the PHA will compare the information to any documents provided by the Family. If provided by telephone, the PHA must originate the call.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e- mailed request for information in a reasonable time frame, i.e., ten (10) business days.

### **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA as a self certification. Self-certification means a notarized statement or affidavit or statement under penalty of perjury.

This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

### **Review of Documents**

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within **two (2)** weeks, the PHA will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents will be photocopied, dated and signed by the person who does the copying and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will provide a written certification they viewed the originals with date and signature.

### **The PHA will accept faxed documents**

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the PHA will utilize the third party verification.

The PHA will not delay the processing of a **file** beyond 30 days because a third party information provider does not return the verification in a timely manner if the family supplies necessary information.

## **B. RELEASE OF INFORMATION**

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form. In addition, adults will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and sign consent forms requested by the PHA or HUD.

### **C. COMPUTER MATCHING (see UIV Policy in appendix section)**

*The 1988 McKinney Act legislation authorized State wage record keepers to release to both HUD and PHA's information pertaining to wages and unemployment compensation. Effective January 31, 2010, HUD mandated mandatory use of the EIV system.*

Where allowed by HUD and/or other State or local agencies, computer matching will be done. The PHA will utilize the Up-Front Income Verification (UIV) provided by HUD to receive state income and Social Security income verification. Both of these tools are used to determine if residents/participants are disclosing all household income.

If computer matching results in a discrepancy with information in the PHA records, the PHA will follow up with the family and verification sources to resolve this discrepancy. When the family has unreported or under reported income, the PHA will follow the procedures in the Program Integrity Addendum of the Administrative Plan.

### **D. ITEMS TO BE VERIFIED**

All income not specifically excluded by the regulations.

Zero-income status of household.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in preceding two years.

Child care expense where it allows an **adult** family member to be employed or to further his/her education.

Total medical expenses of all family members in households whose head, spouse or co-head is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allow an **adult** family member to be employed.

#### **Identity**

U.S. citizenship/eligible immigrant status.

Social Security Numbers **for all family members.**

~~Preference" status.~~

**Familial/Marital** status when needed for head or spouse definition.

Disability for determination of allowances or deductions.

### **Verification of Reduction in Benefits for Noncompliance:**

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

### **E. VERIFICATION OF INCOME**

This section defines the methods the PHA will use to verify various types of income.

#### **Employment Income**

**Verification forms request the employer to specify the:**

Dates of employment

Amount and frequency of pay

Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Year-to-date earnings

Estimated income from overtime, tips, bonus expected during next 12 months

**Acceptable methods of verification include:**

UIV system through HUD (see appendix section of this document)

Employment verification form completed by the employer.

Check stubs or earning statements which indicate the employee's gross pay, frequency of pay or year to date earnings.

W-2 forms plus income tax return forms.

Ledgers or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the I. R. S. for further verification of income.

In cases where there are questions about the validity of information provided by the family, the PHA will require the most recent federal income tax statements.

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

### **Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**

#### **Acceptable methods of verification include, in this order:**

Computer report, electronically obtained or in hard copy (UIV)

Benefit verification form completed by agency providing the benefits.

Award or benefit notification letters prepared and signed by the providing agency.

**Bank statements for direct deposits if they show gross amount. .**

### **Unemployment Compensation**

#### **Acceptable methods of verification include, in this order:**

Verification form completed by the unemployment compensation agency

Computer printouts from unemployment office stating payment dates and amounts

**Payment stubs.**

### **Welfare Payments or General Assistance**

#### **Acceptable methods of verification include, in this order:**

Computer-generated statement from payment provider indicating the amount of grant/payment, family members, start date of payments, and anticipated changes in payment in the next 12 months.

Computer-generated Notice of Action.

PHA verification form completed by payment provider.

Computer-generated list of recipients from Welfare Department.



## **Alimony or Child Support Payments**

### **Acceptable methods of verification include, in this order:**

Computer-generated payment printout by the Child Support Bureau.

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.

A (notarized) letter from the person paying the support (when payment does not go through Bureau or Court).

Copy of latest check and/or payment stubs from Court Trustee. PHA must record the date, amount, and number of the check.

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.

A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.

A notarized affidavit from the family indicating the amount(s) received.

A welfare notice of action showing amounts received by the welfare agency for child support.

A written statement from an attorney certifying that a collection or enforcement action has been filed.

**Net Income from a Business (see Self-employment Policy in appendix section)**

In order to verify the net income from a business, the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months. Acceptable methods of verification include:

- IRS Form 1040, including:
  - Schedule C (Small Business)
  - Schedule E (Rental Property Income)
  - Schedule F (Farm Income)

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.

Audited or unaudited financial statement(s) of the business.

Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Family's self-certification as to net income realized from the business during previous years.

Credit report or loan application.

**Child Care Business**

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business. Tax return may be requested.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the PHA may require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person. Tax return may be requested.

If child care services were terminated, a third-party verification may be sent to the parent whose child was cared for.

## **Recurring Gifts**

The family must furnish a self-certification which contains the following information:

- The **name and address of the person** who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

## **Zero Income Status**

Families claiming to have no income will be required to execute verification forms to determine that income, such as unemployment benefits, TANF, SSI, etc., is not being received by the household.

The PHA may request information from the State Employment Development Department, IRS, or check records of other departments in the PHA jurisdiction that have information about income sources of customers.

The PHA may run a credit report if information is received that indicates the family has an unreported income source. The PHA may question neighbors if complaints are received accusing fraud.

The family will be required to complete a notarized no-income affidavit/letter of certification quarterly. The family may be required to provide written information regarding their accessible resources and means of basic subsistence (food, utilities, transportation, phone, cable, etc.) no more than quarterly to the PHA.

## **Full-Time Student Status**

Only the first \$480 of the earned income of full time students, other than head, spouse, or co-head will be counted toward family income.

Financial aid, scholarships and grants received by full time students are not counted toward family income when the student is living with the parents **(FR 4/10/06)**.

Financial assistance, in excess of amounts received for tuition, and any mandatory education fees, shall be considered income to the individual (single student under the age of 24 who is not a veteran, is unmarried, does not have a dependent child). It is not considered annual income for persons over the age of 23 with dependent children. **(CFR 5.609 & 5.612)**

Verification of full time student status includes:

- Written verification from the registrar's office or other school official.

School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

## **F. INCOME FROM ASSETS**

Acceptable methods of verification include, in this order:

### **Savings Account Interest Income and Dividends**

Account statements, passbooks, certificates of deposit, or PHA verification forms completed by the financial institution. We will accept self-declaration of assets under \$5,000. Verification must be obtained every 3 years.

Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

IRS Form 1099 from the financial institution, provided that the PHA must adjust the information to project earnings expected for the next 12 months.

### **Interest Income from Mortgages or Similar Arrangements**

A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)

Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

### **Net Rental Income from Property Owned by Family**

IRS Form 1040 with Schedule E (Rental Income).

Copies of latest rent receipts, leases, or other documentation of rent amounts.

Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

## **G. VERIFICATION OF ASSETS**

### **Family Assets**

The PHA will require the necessary information to determine the current cash value of the family's assets (the net amount the family would receive if the asset were converted to cash). The PHA will accept self-certification from the family for assets under \$5,000. Verification must be obtained every 3 years. CFR 982.516

Verification forms, letters, or documents from a financial institution or broker.

Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.

Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.

Real estate tax statements if the approximate current market value can be deduced from assessment.

Financial statements for business assets.

Copies of closing documents showing the selling price and the distribution of the sales proceeds.

Appraisals of personal property held as an investment.

**Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.**

### **Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification**

For all Certifications and Recertifications, the PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification/certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of

the assets at the time of disposition. Third party verification will be obtained wherever possible.

## **H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**

### **Child Care Expenses**

Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

### **Medical Expenses**

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 any/all of the methods listed below:

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.

- HUD requires 3<sup>rd</sup> party verification when granting a deduction for medication expenses. The Housing Authority is prohibited from allowing any identifying information related to the types of medications that a client is prescribed to remain in the client's file. As a result, a form has been developed for the file with the following language:
  - "We, the undersigned, testify that we have reviewed the 3<sup>rd</sup> party pharmacy verification that was provided to the Lorain Metropolitan Housing Authority on (date) from the above pharmacy and we have determined that the allowable medication deduction for the above client is \$ (amount of expense). This amount may or may not match the total amount that was reflected on the original 3<sup>rd</sup> party verification. The Lorain Metropolitan

Housing Authority deducts any amount(s) the client paid during the months in which the client met their spenddown obligation, if applicable.”

Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

Written confirmation from the Social Security Administration’s of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

For attendant care:

A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.

Attendant’s written confirmation of hours of care provided and amount and frequency that payments are 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.

Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

Copies of payment agreements or most recent invoices that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

Receipts or other records of medical expenses, incurred during the past 12 months, that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

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.

### **Assistance to Persons with Disabilities**

In All Cases:

Written certification from a reliable, knowledgeable professional, that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

#### Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

#### Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## **I. VERIFYING NON-FINANCIAL FACTORS**

### **Verification of Legal Identity**

In order to prevent program abuse, the PHA will require applicants to furnish verification of legal identity for all family members. The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- \* Certificates of Birth, naturalization papers
- \* Church issued baptismal certificates
- \* Current, valid Driver's license
- \* State Picture I.D.
- \* U.S. military discharge (DD 214)
- \* U.S. passports
- \* Voter's registration
- \* Company/agency Identification Card
- \* Department of Motor Vehicles Identification Card
- \* Hospital records



Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- \* Certificates of Birth
- \* Adoption papers
- \* Custody agreement
- \* Health and Human Services ID
- \* School records

If Certificate of Birth cannot be obtained (non exists), a notarized certification must be provided.

**Verification of Marital Status** *Will be used to determine spouse for income, deduction and non-citizen purposes.*

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance, other records, or notarized affidavit.

Verification of marriage status is a marriage certificate.

### **Familial Relationships**

In-house familial relationship certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

Verification of relationship:

- Official identification showing names
- Birth Certificates
- Baptismal certificates

Verification of guardianship is:

- Court-ordered assignment
- Affidavit of parent
- Verification from social services agency
- School records

Evidence of a stable family relationship:

- Joint bank accounts or other shared financial transactions
- Leases or other evidence of prior cohabitation
- Credit reports showing relationship

### **Verification of Permanent Absence of Adult Member**

An adult member who was formerly in the household and is reported permanently absent by the family, the PHA will consider any of the following as verification:

Husband or wife institutes divorce action. Husband or wife institutes legal separation. An order of protection/restraining order exists against the other.

Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.

Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.

If the adult family member is incarcerated, a document from the Court or correction facility should be obtained stating how long they will be incarcerated.

If no other proof can be provided, the PHA may accept a self-certification from the family.

### **Verification of Change in Family Composition**

The PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

If an addition to the family is reported, the HA will request (in this order):

- Court documentation showing legal custody or guardianship or that custody or guardianship is being sought;
- Records showing proof of residency (from school or doctor records); and
- Statements from social services or other agencies verifying household composition; or
- Documentation from court or correction facility if parent is incarcerated with length of time in jail with a notarized statement from the parent granting guardianship; or
- Notarized statement from absent parent, if not incarcerated – **with the approval of a supervisor.**

### **Verification of Disability**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act 42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

### **Verification of Citizenship/Eligible Immigrant Status**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

The PHA will require citizens to provide documentation of citizenship with at least one of the following original documents:

- United States birth certificate
- United States passport
- Resident alien/registration card
- Social Security card
- or other appropriate documentation

Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PHA must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

### **Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the time of initial application.

The PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

The PHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs with the interim adding that member to the household.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, the PHA must conduct the determination.

### **Extensions of Time to Provide Documents**

The PHA **will** grant an extension of up to **30 days** for families to submit evidence of eligible immigrant status.

### **Acceptable Documents of Eligible Immigration**

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)

Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

The PHA will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

If the PHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for **not less than 24 months**, unless the ineligible individual has already been considered in prorating the family's assistance.

### **Verification of Social Security Numbers**

Social security numbers must be provided as a condition of eligibility **for all family members** if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her SS Number may be used for **temporary** verification:

- Printout from Social Security Office showing person's SS number
- A driver's license
- Identification card issued by a Federal, State or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Earnings statements or payroll stubs
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or SS Number from Social Security Administration

New family members will be required to produce their Social Security Card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the PHA.

If an applicant or participant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the PHA. The applicant/participant or family member will have an additional **60** days to provide proof of the Social Security Number. If they fail to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, the PHA may grant an extension for up to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification with reason to this effect.

### **Medical Need for Larger Unit**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable medical professional.

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## Chapter 8

# VOUCHER ISSUANCE AND BRIEFINGS

## **INTRODUCTION**

The PHA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. When families have been determined to be eligible, the PHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration.

### **A. ISSUANCE OF VOUCHERS**

When funding is available, the PHA will issue Vouchers to applicants whose eligibility has been determined. The number of Vouchers issued must ensure that the PHA stays as close as possible to 100% lease-up. The PHA performs a monthly assessment to determine whether applications can be processed, the number of Vouchers that can be issued, and to what extent the PHA can over issue (issue more Vouchers than the budget allows to achieve lease-up).

The PHA may over issue Vouchers only to the extent necessary to meet leasing goals. All Vouchers which are over issued must be honored. If the PHA finds it is over leased, it must adjust future issuance of Vouchers in order not to exceed the ACC. budget limitations over the fiscal year.

### **B. BRIEFING TYPES AND REQUIRED ATTENDANCE**

#### **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in group meetings. Families who attend group briefings and still have the need for individual assistance will be referred to a member of the HCV Staff.

Briefings will be conducted in English.

The purpose of the briefing is to explain how the program works and the documents in the Voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.



**The PHA will not issue a Voucher to a family unless the household representative has attended a briefing and signed the Voucher. If an applicant fails to attend a briefing, the PHA will not automatically schedule a second appointment unless documentation of an emergency that prevented their attendance. Failure to attend the orientation will result in removal from the waiting list unless documentation is provided or a reasonable accommodation request is granted.**

### **Briefing Packet**

The documents and information provided in the briefing packet for the Voucher program will comply with all HUD requirements. The family is provided with the following information and materials:

The term of the voucher, and the PHA policy for requesting extensions or suspensions (referred to as tolling) to the term of the voucher.

A description of the method used to calculate the housing assistance payment for 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. How the PHA determines the maximum allowable rent for an assisted unit including rent reasonableness.

Where the family may lease a unit.

For family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works including a list of neighboring housing agencies, addresses & phone numbers.

The HUD required tenancy addendum, which must be included in the lease

The Request for Approval of Tenancy form and a description of the procedure for requesting approval of a unit.

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 and how the voucher size relates to the unit size selected.

The HUD brochure, "A Good Place to Live" on how to select a unit that complies with HQS.

The HUD brochure on lead-based paint entitled "Protect Your Family from Lead in Your Home"

Information on Federal, State, and Local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right."

A list of landlords and known units available for the voucher issued. The list includes landlords and units available throughout Lorain County as LMHA is advised of availability and updated every 2 to 3 weeks.

If the family includes a person with disabilities, notice that the PHA will help in referring the family to agencies and landlords who may assist in locating accessible units.

The Family Obligations under the program.

The grounds on which the PHA may terminate assistance for a participant because of family action or failure to act.

PHA informal hearing procedures, when the PHA is required to offer the opportunity for informal hearing to participants, and how to request such.

Owner's responsibilities.

Procedures for notifying the PHA of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

Requirements for reporting changes between certifications.

Information regarding security deposits and legal referral services.

Information regarding the PHA's outreach program to assist families who are interested in or experiencing difficulty in obtaining available units in areas outside of minority concentrated locations

### **Information to be Provided at the Briefing**

The person conducting the briefing will describe how the program works and emphasize the following:

Relationships between the family and the owner, the family and the PHA, and the PHA and the owner.

Family responsibilities as a program participant

Where a family may lease a unit inside and outside its jurisdiction  
How portability works for families eligible to exercise portability

Advantages to moving to area with low concentration of poor families if family is living in a high poverty census tract in the PHA's jurisdiction

Exercising choice in residency

Choosing a unit carefully and only after due consideration.

The Family Self Sufficiency program and its advantages.

If the family includes a person with disabilities, the PHA will ensure compliance with CFR 8.6 to ensure effective communication.

### **Mover Briefing**

For a participant who wishes to be reissued a Voucher to move, the family will be required to complete the moving process. This process includes giving the proper notice (30-day or Intent to Vacate), signing recertification forms and completing the interview. After completing the moving process, the Occupancy Specialist assigned to the family's part of the alphabet will schedule the family for a moving orientation. Once the family has attended the moving orientation, they will receive the Request For Tenancy Approval. Families porting in and out of Lorain County will be required to attend a moving orientation.

### **Landlord Briefing**

To assure successful owner participation in the program, landlords (including out-of-state and/or agents) participating in the Housing Choice Voucher Program must attend a landlord briefing every two years (eff 1/10). These are offered at the office or on-line. Landlords must complete a certification when viewing on-line for a Certificate of Completion. (eff 1/12)

**New Landlords** – must attend ONE landlord briefing BEFORE LMHA will release HAP (Housing Assistance Payment); must sign leases and contracts and receive a certificate of completion within 60 days of the lease effective date in order to participate in the Housing Choice Voucher Program. Failure to do so will result in non-payment.

**Current Landlords** – must attend ONE landlord briefing every five (5) years. LMHA will hold HAP on the 13<sup>th</sup> month if landlord has registered for a briefing; must receive a certificate of completion to avoid any interruption in Housing Assistance Payment.

The HCV Manager speaks annually at the local landlords' association meeting with open invitation to new, existing, and prospective landlords. HCV staff is versed on how to give prospective and new landlords information to create interest and participation in the program.

Owners are encouraged to come to the HCV office to sign documents so information may be discussed. When owners insist on contracts being mailed, they are informed to contact us with any questions or concerns before returning the signed contract.

Interested owners who request to sit in on scheduled family briefings to obtain information about the Voucher program will be allowed to do so.

### **C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION**

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The assistance provided to such families may include:

- Counseling with the family on “how-to”
- Direct contact with known landlords
- Search record form to gather and record information
- Providing information about services in various non-impacted areas
- Outreach to city and town hall personnel to promote understanding
- Informal discussions with landlord groups
- Informal discussions with social service agencies
- Meeting with rental referral companies or agencies
- Meeting with fair housing groups or agencies

### **D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION**

#### **Fair Housing Laws**

The PHA provides the family with the HUD discrimination complaint form. The family will also be directed to the ~~Lorain County Urban League~~ [Fair Housing and Equal Opportunity division at HUD \(800-669-9777\)](#) to file complaints.

### **E. SECURITY DEPOSIT REQUIREMENTS**

The owner is not required to but may collect a security deposit from the tenant. Security deposits charged to families may be any amount the owner wishes to charge, **subject to the following conditions:**

Security deposits charged by owners may not exceed those charged to unassisted tenants (nor the maximum prescribed by State or local law.)

The majority of Lorain County homeowners require 1 month’s rent or less

Responsibility for first and last month's rent is not considered a security deposit issue.

## **F. TERM OF VOUCHER**

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the PHA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

### **Expirations**

The Voucher is valid for a period of sixty calendar days from the date of issuance. The family must submit a Request for Tenancy Approval within the sixty-day period unless an extension has been granted by the PHA.

If the Voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

The PHA has the discretion to issue a voucher for a specified time as deemed necessary, not to exceed 120 days.

### **Extensions**

A family may request an extension of the Voucher time period up to a maximum of 120 days. All requests for extensions must be received prior to the expiration date of the Voucher. Extensions are permissible at the discretion of the PHA primarily for these reasons:

Extenuating circumstances such as hospitalization or a family emergency, for an extended period of time, which has affected the family's ability to find a unit within the initial sixty-day period. Verification is required.

The PHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PHA, throughout the initial sixty-day period. A completed search record may be required.

The family was prevented from finding a unit due to disability accessibility requirements or large size (4-5 bedrooms) unit requirement. The search record may be part of the required verification.

### **Portability**

The PHA will issue a voucher for 120 days and extend the term of the voucher for extenuating circumstances. This exception will be addressed on a case-by-case basis.

### **Suspensions (tolling)**

When the PHA has granted the maximum 120-day term to a Voucher holder, and the last received Request for Tenancy Approval has failed to produce a HAP Contract:

due to the OWNER'S noncompliance with:

requirements by the PHA

refusal to bring the unit up to HQS standards, or

the owner's decision to not rent to the holder,

the PHA may deduct the number of days required to process the request from the 120-day term.

This does not apply to situations caused because the tenant changes their mind.

### **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the listing of available units and how the updated list may be obtained.

The PHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

After the first 60 days of the search, the family may be required to maintain a search record and report to the PHA every 15 to 30 days.

## **G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS**

In those instances when a family assisted under the HCV program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the PHA will consider the following factors to determine which of the families will continue to be assisted:

Which of the two new family units has custody of dependent children.

Which of the two new family units has elderly or disabled members.

Whether domestic violence was involved in the breakup.

Which family members remain in the unit.

Recommendations of social service professionals.

Head of household when the Voucher was initially issued.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a final application or recertification.

A reduction in family size may require a reduction in the voucher family unit size.

#### **H. REMAINING MEMBER OF FAMILY TO RETAIN VOUCHER**

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:  
The court has to have awarded emancipated minor status to the minor, OR

The PHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family size.

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## Chapter 9

# REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

## INTRODUCTION

The PHA's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. The PHA's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a Voucher, they may search for a unit anywhere within the jurisdiction of the PHA, or outside of the PHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments Contract with the PHA. This Chapter defines the types of eligible housing, the PHA's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests For Tenancy Approval (RFTA), previously known as RFLA.

## A. REQUEST FOR APPROVAL OF TENANCY

The Request for Tenancy Approval (RFTA) *and a copy of the proposed Lease* must be submitted by the family during the term of the voucher. The family must submit the Request for Tenancy Approval in the form and manner required by the PHA. In addition, the owner must provide the "LMHA OCCUPANCY CERTIFICATION BY OWNER" form to LMHA verifying he/she has obtained the required occupancy permit (if applicable). (7/05)

The Request for Tenancy Approval must be signed by both the owner and Voucher holder.

**The PHA will not permit the family to submit more than one RFTA at a time.** The PHA will review the document(s) to determine whether or not they are approvable. The Request will be approved if:

- The unit is an eligible type of housing.
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).
- The rent is reasonable.
- The security deposit is approvable in accordance with this plan.
- The proposed lease complies with HUD and PHA requirements.
- The owner is approvable, and there are no conflicts of interest.

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and moves), the family share of the rent may not exceed 40 percent of the family monthly adjusted income. (See “Owner Rents, Rent Reasonableness and Payment Standards” chapter of this Plan)

### **Disapproval of the RFTA**

If the PHA determines that the Request cannot be approved for any reason, the PHA will contact the landlord/family to advise of the steps that are necessary for approval (by phone or in writing) so as to proceed with the process.

When, for any reason, an RFTA is not approved, the PHA will send a written notice of disapproval to the owner and family. If time remains on the family’s Voucher, the family will be issued another RFTA form to continue their search for eligible housing.

### **Expiration of the RFTA**

When the RFTA is submitted with complete information, the PHA will make every reasonable effort to conduct the initial inspection within 15 days. The “date unit available for inspection” on the RFTA will be used to determine if the PHA will be able to meet the 15-day standard.

If the unit is not scheduled within 30 days of the submission date of the RFTA, the RFTA will be voided. The owner or agent and family will be notified that the RFTA has expired. The family will be issued another RFTA, depending on the term of their voucher.

## **B. ELIGIBLE TYPES OF HOUSING**

The PHA will approve any of the following types of housing in the Voucher program:

All structure types can be utilized.

Manufactured homes where the tenant leases the mobile home and the pad.

Manufactured homes where the tenant owns the home and leases the pad.

Independent Group Residences.

Units owned (but not subsidized) by the PHA (following HUD-prescribed requirements).

A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

The PHA may not permit a Voucher holder to lease a unit which is receiving Project-Based HCV assistance or any duplicative rental subsidies.

## **C. LEASE REVIEW**

The PHA no longer offers a standard lease. The PHA offers the tenancy addendum, and the Lead Warning Statement form. The PHA will review any submitted lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.

The family and owner must submit an **unexecuted** standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law. This lease must be submitted with the RFTA. **Unexecuted lease is defined as fully completed but unsigned.**

The lease must have areas to specify:

The names of the owner and tenant, **including all adult members**

The address of the unit rented (including apartment number, if any)

The amount of the **monthly contract rent to owner**

The utilities to be paid for by the owner

The appliances to be supplied by the owner

The utilities to be paid for by the tenant

The appliances to be supplied by the tenant

The HUD prescribed tenancy addendum must be included in the lease, word-for-word, before the lease is executed.

Effective September 15, 2000, the owner's lease must include the Lead Warning Statement and disclosure information required by the Code of Federal Regulations.

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate the tenancy.

The lease must also provide that the owner may evict the family when the owner determines that:

Any household member is illegally using a drug; or

A pattern of illegal use of drugs by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a “covered person” are grounds to terminate tenancy when there is any:

Criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; or

Criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or

Violent criminal activity on/near the premises by a tenant, family member, or guest; or

Violent criminal activity by any other person under the tenant’s control.

The lease must provide that the owner may terminate tenancy 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

Violating a condition of probation or parole imposed under Federal or State law.

House Rules of the owner may be attached to the lease as an addendum, provided they are approved, IN ADVANCE, by the PHA to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

### **Actions Before Lease Term**

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

The PHA has inspected the unit and has determined that the unit meets HQS;

The PHA has determined that the rent charged by the owner is reasonable;

The landlord and the tenant execute the lease including the HUD-prescribed tenancy addendum;

The PHA has approved leasing of the unit in accordance with program requirements;

When the gross rent exceeds the applicable payment standard for the family, the PHA must determine that the family share (total family contribution) will not be more than 40% of the family’s monthly adjusted income;

The owner and tenant agree they may not and will not make any additional side agreements without the prior consent of the PHA.

## **D. SEPARATE AGREEMENTS**

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

The family is not liable under the lease for unpaid charges for items covered by separate agreements, and nonpayment of these agreements cannot be cause for eviction.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the PHA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable, and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by the PHA. If agreements are entered into at a later date, they must be approved by the PHA and attached to the lease.

The PHA will not approve separate agreements for modifications to the unit for persons with disabilities. The modifications are usually with the dwelling and are critical to the use of the dwelling.

## **E. INITIAL INSPECTIONS**

See "Housing Quality Standards and Inspections" Chapter 10.

## **F. RENT LIMITATIONS**

The PHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market, and the rent charged by the owner for a comparable unassisted unit in the building or premises.

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

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by the PHA.

## **G. DISAPPROVAL OF PROPOSED RENT**

If the proposed Gross Rent is not reasonable, at the family's request, the PHA will negotiate with the owner to reduce the rent to a reasonable rent.

If the rent is not affordable because the family share would be more than 40% of the family's monthly adjusted income, the PHA will negotiate with the owner to reduce the rent to an affordable rent for the family.

At the family's request, the PHA will negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to the owner.

If the rent can be approved after negotiations with the owner, the PHA will continue processing the Request for Tenancy Approval and Lease. If the revised rent involves a change in the provision of utilities, a new Request for Tenancy Approval must be submitted by the owner and tenant.

If the owner does not agree on the Rent to Owner after the PHA has tried and failed to negotiate a revised rent, the PHA will inform the family and owner that the lease is disapproved.

## **H. INFORMATION TO OWNERS**

In accordance with HUD requirements, the PHA will furnish prospective owners with the family's current address as shown in the PHA's records, and if known to the PHA, the name and address of the landlord at the family's current and prior address.

The PHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The PHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners **will be** encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, damage to units, respecting the rights of other residents, 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.

A statement of the PHA's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.

The PHA will provide prospective owners the following information based on documentation in its possession IF THE OWNER SUBMITS A SIGNED CONSENT FORM FROM THE TENANT:

- Eviction history
- HQS violations by family
- Drug Trafficking by family members

The information will be provided for the last three (3) years, if available. The information will be provided orally. Only the HCV Occupancy Specialists, Assistant Managers, HCV Manager, or Executive Staff may provide this information.

## **I. OWNER DISAPPROVAL**

See Chapter on "Owner Disapproval and Restriction."

## **J. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE**

When the family reports any changes in factors that will affect the Total Family Share prior to the effective date of the HAP contract at admission, the information will be verified and the Total Family Share will be recalculated. If the family does not report any change, the PHA need not obtain new verifications before signing the HAP Contract, even if verifications are more than 60 days old.

## **K. CONTRACT EXECUTION PROCESS**

The PHA prepares the Housing Assistance Contract and lease for execution. The family and the owner will execute the Lease agreement, and the owner and the PHA will execute the HAP Contract. [HCVP personnel](#) ~~The HCV Manager or Assistant Manager~~ will execute the contract on behalf of the PHA. Copies of the documents will be furnished to the parties who signed the respective documents. The PHA will retain a copy of all signed documents.

The HAP Contract **may not** be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed.

Owners must provide the current address of their residence. (Post Office Box, for mailing purposes only, is in addition to the residence address). The owner must provide a business, **home or cell phone number**.

Owners must provide an Employer Identification Number or Social Security Number.

Owners must also submit proof of ownership of the property, such as a Grant Deed or Tax Bill, and a copy of the Management Agreement if the property is managed by a management agent, upon request by the PHA.

Unless the lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother **of any family member**. This includes "step" and "in-law". The PHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability, providing the home is such that it would best meet the needs for the disability requirements over other private market units. Under no circumstances may the owner reside in the unit.



## **Allowances by the Quality Housing and Work Responsibility Act (QHWRA)**

The QHWRA made permanent the 90-day owner termination and endless lease requirements. PHAs are no longer limited to the use of the endless lease, exclusively. Owners can now choose from the following options, **but the initial term must still be at least 12 months:**

Elect to have an indefinite extension of the initial term (the endless lease). This option allows that the owner can only terminate tenancy during the term of the lease by instituting a court action; or

They can elect fixed, definite extensions of the initial term, such as month-to-month or year-to-year. This option allows that the owner can terminate tenancy without cause at the end of the initial term or any subsequent term.

HOWEVER, this legislation permits the PHA to approve a shorter initial lease term, if the PHA determines that:

Such shorter term would improve housing opportunities for the tenant, AND

Such shorter term is the prevailing local market practice.

## **L. CHANGE IN OWNERSHIP**

See "Owner Disapproval and Restriction" chapter.

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## Chapter 10

# HOUSING QUALITY STANDARDS AND INSPECTIONS

## **INTRODUCTION**

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as to the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

The PHA will inspect each unit under contract at least annually. The PHA will also have an inspection supervisor perform quality control inspections on the number of files required for file sampling by SEMAP annually to maintain the PHA's required standards and to assure consistency in the PHA's program. This Chapter describes the PHA's procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of noncompliance with HQS requirements for both families and owners. The use of the term HQS in this Administrative Plan refers to the combination of both HUD and PHA requirements. (See additions to the HQS under "Acceptability Criteria and Exceptions to HQS" later in this chapter.)

## **A. GUIDELINES/TYPES OF INSPECTIONS**

The PHA has adopted local requirements of acceptability in addition to those mandated by the HUD Regulations.

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. The PHA will not promote any additional acceptability criterion which is likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

All utilities must be in service prior to the inspection. If the utilities are not in service at the time of inspection, the owner/tenant will be notified to have utilities turned on and that the unit cannot pass inspection until service is connected and the unit re-inspected.

If the tenant is responsible for supplying the stove and/or refrigerator, the PHA will not consider the unit as meeting Housing Quality Standards if the appliances are not in place at the time of inspection. The family will be mailed a “Stove and Refrigerator Certification”. The family must sign and submit the form certifying the appliances will be or are installed and properly working~~after the stove and/or refrigerator have been installed and properly working~~. Failure to supply the appliances is a violation of the family obligations and could result in termination. *Extensions may be given to work with social service agencies giving assistance to obtain the appliance(s)*. No Housing Assistance Payment will be made if the certification has not been submitted by the family.

There are four types of inspections the PHA will perform:

1. Initial/Move-in: Conducted upon receipt of Request For Tenancy Approval
2. Annual: Must be conducted within 12 months of the **of last annual inspection**
3. Special/Complaint: At request of family, owner, an agency, or third-party
4. Quality Control

## **B. INITIAL HQS INSPECTION**

### **Timely Initial HQS Inspection**

The PHA will inspect the unit, determine whether the unit satisfies the HQS and notify the family and owner of the determination within **15 days** after the family and the owner have submitted a request for tenancy approval. The same **15-day** clock will be suspended during any period when the unit is not available for inspection.

The PHA will contact the owner or tenant to obtain an inspection date when the RFTA is received and note the “date unit available for inspection” on the inspection book. This date will determine whether the PHA will be able to meet the 15-day standard, or whether a suspension is required.

The PHA will make every reasonable effort to conduct initial HQS inspections for the family and owner in a manner that is time efficient and indicative of good customer service. The PHA will periodically review the average time required for a family and owner to have a unit inspected from the time the RFTA is submitted by the family and owner to the PHA. If the PHA determines that the average time is longer than 15 days, the PHA will review staffing needs relevant to HQS inspections.

The Initial Inspection will be conducted to:

Determine if the unit and property meet the HQS defined in this Plan.

Document the current condition of the unit as to assist in future evaluations whether the condition of the unit exceeds normal wear and tear.

Document the information to be used for determination of rent reasonableness.

If the unit fails the initial Housing Quality Standards inspection, the owner and family will be advised to notify the PHA once repairs are completed.

On an initial inspection, the owner will be given up to 14 days to correct the items noted as Fail. Depending on the amount and complexity of the work to be done, the owner will be allowed up to 30 days for repair work to be completed if an extension is requested. A fee may be charged if an owner stated that a deficiency had been fixed and the deficiency is found during reinspection to persist or if a reinspection conducted after the expiration of the timeframe for repairs reveals that the deficiency persists. CFR 982.405

If the time period given to correct the repairs has elapsed, a void letter will be sent to the owner and family. The family will be issued another RFTA.

### **C. ANNUAL HQS INSPECTIONS**

The PHA conducts an inspection in accordance with Housing Quality Standards **at least biennially. The PHA schedules annual inspections at least 60 - 90 days prior to the annual review date**, so that the inspections are conducted at least annually as required by SEMAP. **The tenant's annual review date is the initial date of the HAP 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 PHA to inspect the unit at reasonable times with reasonable notice. [24 CFR 982.51]

Inspections will be conducted on business days only. Reasonable hours to conduct an inspection are between 8:00 a.m. to 4:00 p.m.

The PHA will notify the family in writing 10 days prior to the inspection. If the family is unable to be present, they must reschedule the appointment so that the inspection is completed within 14 business days.

If the family does not contact the PHA to reschedule the inspection, or if the family misses two inspection appointments, the PHA will consider the family to have violated family obligations and their assistance will be terminated in accordance with the termination procedures of this Plan.

Re-inspection: When the PHA is notified repairs are completed, the family is provided a re-inspection appointment either by phone or mail. If the family is not at home for the re-inspection appointment, a card will be left at the unit to contact the PHA for another appointment. Two missed appointments is cause for termination of participation. A final notice letter will be sent to the owner and tenant advising of abatement (owner repairs) or termination (tenant repairs). A fee may be charged if an owner stated that a deficiency had been fixed and the deficiency is found during reinspection to persist or if a reinspection conducted after the expiration of the timeframe for repairs reveals that the deficiency persists. CFR 982.405

The PHA will accept an owner and tenant certification as proof that certain deficiencies have been repaired without having a physical re-inspection. This is only the case when a single item fails. See the HQS Procedure Manual for a list of deficiencies that qualify for certification.

### **Time Standards for Repairs**

Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification. (See Emergency Repair Items section in this chapter.)

For non-emergency items, repairs must be made within 30 days. **The PHA has the discretion to require that some items be repaired within a time period of two weeks. i.e. infestation.**

For major repairs, the HCV Manager or Assistant Manager must approve an extension beyond 30 days.

### **Rent Increases**

Rent to owner increases may not be approved if the unit is in a failed condition.

## **D. SPECIAL/COMPLAINT INSPECTIONS**

If at any time the family or owner notifies the PHA that the unit does not meet Housing Quality Standards, the PHA will conduct an inspection. The PHA may also conduct a special inspection based on information from third parties such as neighbors or public officials.

The family is advised to specify in writing any HQS deficiencies they feel exist in the unit. They must give the statement to the landlord with a copy to the HA. If the landlord has not made any attempt to correct the deficiency within a reasonable amount of time (two weeks), the HA will schedule a special inspection.

The PHA will inspect only the items which were reported, but if the Inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.

## **E. QUALITY CONTROL INSPECTIONS**

Quality Control inspections will be performed by the HCV manager or other supervisory personnel on the number of files required by SEMAP. The purpose of Quality Control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS.

The sampling of files will include recently completed inspections (within the prior 3 months), a cross-section of neighborhoods, and a cross-section of inspectors.

**SEMAP RATE:** published in the Federal Register 1/26/99

<u>Universe</u>	<u>Minimum number of sampled files</u>
50 or less	5
51 - 600	5 + 1 for each 50 or part of 50 over 50
601-2000	16 plus 1 for each 100 or part of 100 over 600
over 2000	30 plus 1 for each 200 or part of 200 over 2000

## **F. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS**

The PHA adheres to the acceptability criteria described in 24 CFR 982.401 and the LMHA's HCVP HQS Procedure Manual.

## **G. EMERGENCY REPAIR**

### **LMHA Procedure for 24 Hour Emergency Inspections**

According to 24 CFR 982.404(3): The PHA must not make any housing assistance payments for a dwelling unit that fails to meet HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension). See the HQS Procedure Manual, Section G, Emergency Repairs for a list of criteria that warrants 24 hour notice.

## **H. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)**

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by the PHA, the assistance payment to the owner will be **abated**.

### **Abatement**

A Notice of Abatement will be sent to the owner, and the abatement will be effective on the first day of the next month following the month the repairs were to be completed. The notice is generally for **30** days, depending on the nature of the repair(s) needed.

The PHA will make an effort to re-inspect abated units within **7 business** days of the owner's or tenant's notification that the work has been completed.

If the owner makes repairs after the abatement effective date, but during the abatement period (30 days), payment will resume on the day the unit passes inspection.

The family will be notified of the re-inspection date. The participant may be terminated from the program for failure to allow the repairs to be made by the owner or the owner's representative(s) or failure to allow the re-inspection of the unit in a timely manner.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the tenant is not responsible for the PHA's portion of rent that is abated.

### **Extensions in lieu of abatement**

**The PHA may grant an extension in lieu of abatement in the following cases:**

The owner has submitted a written request for an extension.

The owner has a good history of HQS compliance.

The failed items are minor in nature.

There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.

The owner makes a good faith effort to make the repairs.

The repairs are expensive (such as exterior painting or roof repair) and the owner needs time to obtain the funds.

The repairs must be delayed due to climate conditions.



The owner provides receipts from business or contractor showing the work is to be completed with an anticipated date of completion.

The extension may be made for a period of time considered reasonable for completion, usually 30 days beyond the original 30 days given. At the end of that time, at the PHA's discretion, if the work is not completed or substantially completed, the PHA will begin the abatement.

The PHA may grant an extension for exterior scraping and painting during winter months or to work with contractors schedules providing there is no hazard existing for family.

The request for extension:

Must be in writing

Must be submitted prior to the due date

Must include the item(s) in need of an extension

Must specify reason for extension and the amount of time needed to make repair

### **Termination of Contract**

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a notice of impending HAP Contract termination. Prior to the effective date of the termination, the abatement will remain in effect.

If repairs are completed before the effective termination date, the termination **will** be rescinded by the PHA if the tenant chooses to remain in the unit. Only **one** Housing Quality Standards inspection will be conducted after the termination notice is issued.

## **I. DETERMINATION OF RESPONSIBILITY**

[In determining who is responsible for infestation, LMHA will consider the language in the lease agreement. If the lease agreement doesn't address infestation, the general rule will be:](#)

~~If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and submit a copy to the PHA for the family's file.~~

### **Infestation:**

**Extermination of infestation for apartments and duplexes will be deemed the LANDLORD'S responsibility, UNLESS YOUR LEASE STATES OTHERWISE, because the LMHA cannot positively determine whether the infestation originated with the tenant or their neighbor(s)**

Extermination of infestation for single family units and mobile homes will be deemed the TENANT'S responsibility, UNLESS YOUR LEASE STATES OTHERWISE, because the LMHA can reasonably assume that the infestation is exclusive to that unit.

The issue of infestation must be resolved prior to the family vacating the unit. If it is the family's responsibility, the PHA may notify the prospective landlord, at our discretion, that there is a possible infestation issue.

If a history of infestation is present, at the PHA's discretion, the tenant may be held responsible for extermination, regardless of the unit structure type.

If the infestation is due to natural circumstances, the landlord is responsible for taking care of the problem. In other words, if the rental property is located near a grassy field and the tenant reports mice, the landlord needs to arrange for and pay for the exterminator. Other natural pest conditions might include termites, spiders, ants, rats, wasps and sometime cockroaches and bedbugs.

## **J. CONSEQUENCES IF FAMILY IS RESPONSIBLE**

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, the PHA will require the family make any repair(s) or corrections within **24 hours for emergency and 30** days for non-emergency violations (same as for owners). If the repair(s) or correction(s) is/are not made in this time period, the PHA will terminate assistance to the family. Extensions in these cases must be approved by **PHA** prior to the deadline for completion of repairs. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

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## Chapter 11

# OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

## INTRODUCTION

The PHA will determine rent reasonableness in accordance with the 24 CFR and HUD notices. It is the PHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparables in the rental market.

This Chapter explains the PHA's procedures for determination of rent reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

## A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

The rent to owner is limited *primarily* by rent reasonableness. The PHA must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum rent standard at initial occupancy. At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40 percent of the family's monthly adjusted income.

**During the initial term of the lease, the owner may not raise the contract rent.**

## B. MAKING PAYMENTS TO OWNERS

Once the HAP Contract is executed, the PHA begins processing payments to the landlord. The effective date and the amount of the PHA payment are **entered into the computer HAP processing**. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made **automatically** to the HAP Register for the following month. Checks are disbursed by the **Accounting Department** to the owner each month. Checks that are not received will not be replaced until a written request has been received from the payee and a stop payment has been put on the check.

## **Excess Payments**

The total of rent paid by the tenant plus the PHA housing assistance payment to the owner may not be more than the rent to owner. The owner must immediately return any excess payment to the PHA. Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to the PHA" chapter of this Plan.

## **Late Payments to Owners**

It is a local business practice in Lorain County for property managers and owners to charge tenants a reasonable late fee for rents not received by the owner or property manager by the due date, notwithstanding any grace period which is typically 7 - 10 days past the first of the month.

Therefore, in keeping with generally accepted practices in the local housing market, the PHA must make housing assistance payments to the owner promptly and in accordance with the HAP contract.

The PHA's practice is to mail checks on the 1<sup>st</sup> of the month, or the 1<sup>st</sup> business day of a month in which the 1<sup>st</sup> falls on a weekend or holiday providing the monies have been transferred from the United States Treasury.

The owner may submit a request for payment of a late fee to the PHA. The amount charged must be equivalent to that charged and collected from tenants. Proof of collections may be required. Late fees will not be made for initial contracts where HAP payments were delayed due to owner/tenant timeliness resulting in the PHA to not be able to complete processes prior to the month's cut off for HAP payments. Proof of "Mailed to" date will be (a) the payment listed on the HAP Register, and (b) date the checks were posted. PHA will not be held responsible for delays caused by the Post Office.

The PHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond the PHA's control, such as a delay in the receipt of program funds from HUD. The PHA will use administrative fee income or the administrative fee reserve as its only source for a late payment penalty. The PHA will not use any program funds for the payment of late fee penalties to the owner.

## **C. RENT REASONABLENESS DETERMINATIONS**

Program: GOsection8.com...Nan McKay

### **Collecting Market Data:**

The PHA will collect and maintain data on unit information and market rents in the PHA's jurisdiction. Information sources may include newspapers, realtors, appraisers, market surveys, landlords, and other available sources. Unit data will include the location, quality, size, type and age of the unit, as well as amenities, housing services, maintenance and utilities to be provided by the owner. Data will be updated on an ongoing basis and rent information that is more than 12 months old will not be used to determine rent reasonableness. GoSection8.com allows landlords to enter property information for non-subsidized units that the PHA may use for comparables.

### **Determining Rents:**

The PHA uses a unit-to-unit comparison, by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area. Geocoded maps will be used to identify the unsubsidized units in closest proximity to the subject unit, and unit data information will be used to select the most similar units.

In comparing rents, GoSection8.com will take into account critical market factors that impact rent, including the location, quality, size, unit type, and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Where comparable units differ from the unit proposed for HCV assistance, GoSection8.com will determine whether those differences impact rent. Where they do, they will adjust the rental value of the comparable units, up or down, based on the market value of these factors. The rent for the unit proposed for HCV assistance will be compared to the *adjusted* rents for the comparable units, enabling a fair, accurate, market-based determination of rent reasonableness.

The PHA will notify the owner of the rent the PHA can approve based upon its analysis of rents for comparable units. If the owner disagrees with this analysis, the owner may submit additional information in support of their requested rent. The PHA will consider this information when making rent determinations. The owner must submit any additional information within 5 business days of the PHA's notification.

## **D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM**

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at the PHA discretion, the Voucher Payment Standard amount is set by the PHA between 90 - 110 percent of the HUD published FMR. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90 - 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities.

### **When the Payment Standard Increases**

The Payment Standard in place on the effective date of the HAP contract remains in place for the duration of the contract term unless the PHA increases or decreases its payment standard. If a payment standard is increased, the higher payment standard is first used in calculating the HAP at the time of the family's regular (annual) reexamination. Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination.

### **When the Payment Standard Decreases**

If the PHA lowers its Payment Standards, the payment standard in effect on the effective date of the HAP contract will remain in effect until the family moves to another unit, has a change in its family size or composition, or until the second annual reexamination after the PHA decreases its payment standard.

## **E. ADJUSTMENTS TO PAYMENT STANDARDS**

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. The PHA will not raise the Payment Standards solely to make "high end" units available to Voucher holders. The PHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standard.

## **Assisted Families' Rent Burdens**

The payment standard may be adjusted annually, implementing the payment standard effective date to be the first of the month following the 60 days after the published effective date of the FMR.

If it is determined that particular unit sizes in the PHA's jurisdiction have payment standard amounts that are creating rent burdens for families, the PHA will modify its payment standards for those particular unit sizes.

The PHA may establish a separate voucher payment standard, within the basic range, for designated parts of its jurisdiction if it determines that a higher payment standard is needed in these designated areas to provide families with quality housing choices and to give families an opportunity to move outside areas of high poverty and low income.

## **Quality of Units Selected**

The PHA will review the quality of units selected, by participant families, when making a determination of the percent of income the families are paying for housing. This will help ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

## **PHA Decision Point**

The PHA will review the average percent of income that families on the program are paying for rent. If **more than 40%** of families are **paying more than 30%** of their monthly adjusted income for a particular unit size, the PHA will determine whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HQS and any additional standards added by the PHA in this Administrative Plan.

If families are paying more than 30% of their income for rent due to the selection of larger bedroom size units or luxury units, the PHA may decline to increase the payment standard. **If these are not the primary factors for families paying higher rents, the PHA will continue increasing the payment standard.**

## **Rent to Owner Increases**

The PHA may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

The landlord may not raise the contract rent during the initial term of the lease. However, if the landlord would like to increase the rent after the initial term, he/she may do so by submitting a **request for an increase** or the annual Request For Tenancy Approval (RFTA) sixty days prior to the increase effective date. The RFTA must be complete and signed by the family acknowledging the contract rent increase. The rent must be considered reasonable before the increase is approved.



### **Time to Locate Housing**

The PHA may consider the average time period for families to lease up under the Voucher program. If Voucher holders are unable to locate suitable housing within the term of the voucher, and the PHA determines that this is due to rents in the jurisdiction being unaffordable for families even with the presence of a voucher, the Payment Standard may be adjusted.

### **Lowering of the Payment Standard**

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, the statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below 90 percent of the FMR without authorization from HUD.

### **Financial Feasibility**

Before increasing the Payment Standard, the PHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

### **File Documentation**

A file will be retained by the PHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

## **F. EXCEPTION PAYMENT STANDARDS**

**LMHA has not requested an exception from HUD.** LMHA may approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with a disability.

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## Chapter 12

# RECERTIFICATIONS

## INTRODUCTION

HUD requires that the PHA reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulation. It is a HUD requirement that families report all changes in household composition. This Chapter defines the PHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

## A. ANNUAL ACTIVITIES

There are two activities the PHA must conduct on an annual basis. These activities will be coordinated whenever possible:

1. Recertification of Income and Family Composition
2. HQS Inspection

The PHA produces a monthly listing of units under contract to ensure that timely reviews of rent to owner, housing quality, and factors related to Total Tenant Payment can be made. Requests for rent adjustments and other monetary changes will be **completed by the HCV Occupancy Specialists**.

Reexamination of the family's income and composition must be conducted at least annually.

Annual inspections: See Chapter 10, "Housing Quality Standards and Inspections"

Rent Adjustments: See Chapter 11, "Owner Rents, Rent Reasonableness and Payment Standards"

## **B. ANNUAL RECERTIFICATION/REEXAMINATION**

Families are required to be recertified at least annually. At the first interim or annual certification on or after June 19, 1995, family members must report and verify their U.S. citizenship/eligible immigrant status.

### **Moves Between Reexamination**

When families move to another dwelling unit:

An annual recertification will be scheduled (unless a recertification has occurred in the last 60 days) and the anniversary date will be changed if the HA uses the 50058 code of "2". The anniversary date will remain the same if the HA uses the 50058 code of "7".

Income limits are not used as a test for continued eligibility at recertification.

### **Reexamination Notice to the Family**

The PHA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least **90** days in advance of the anniversary date. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

#### **Procedure**

The PHA's procedure for conducting annual recertifications will be:

Schedule the date and time of appointments and mail a notification to the family.

#### **Persons with Disabilities**

Persons with disabilities, who are unable to come to the PHA's office will be granted an accommodation of conducting the interview **by mail** upon verification that the accommodation requested meets the need presented by the disability. A member of the PHA staff may conduct an interview at the participant's unit, hospital or nursing facility.

### **Completion of Annual Recertification**

The PHA will have all recertifications for families completed before the anniversary date. This includes making every reasonable effort to notify the family of any changes in rent at least 10 days before the scheduled date of the change in family rent.

### **Collection of Information**

The PHA has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

The PHA will require the family to complete a Personal Declaration Form prior to all recertification interviews.

The PHA representative will interview the family and enter the information provided by the family on the recertification form, review the information with the family, and have them sign the form.

### **Requirements to Attend**

The following family members will be required to attend the recertification interview:

All adult members

If the head of household is unable to attend the interview:

If requested, the appointment will be rescheduled

The spouse, co-head, or other adult may recertify for the family with a provision that other adult member(s) must come to the office within **14 business days** to be interviewed and sign forms

### **Failure to Respond to Notification to Recertify**

The written notification must state which family members are required to attend the interview. The family may call to request another appointment prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the PHA, the PHA **will** reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the PHA will:

Send family notice of termination and offer them an informal hearing.

Exceptions to these policies may be made by the HCV Staff if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

## **Documents Required From the Family**

In the notification letter to the family, the PHA will include instructions for the family to bring the following:

- Documentation of income for all family members
- Documentation of assets
- Documentation of any deductions/allowances
- Personal Declaration Form completed by head of household and signed by all adult members

## **Verification of Information**

The PHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 120 days old.

## **C. REPORTING INTERIM CHANGES**

Program participants must report all changes in household composition to the PHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PHA approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. The PHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

### **Increases in Income**

Families will be required to report all increases in income/assets of all household members to the HA in writing within 14 business days. The HCV staff will make the determination if an interim change will be completed.

Quarterly reviews may be required for persons with unstable income (frequent increase and decrease reports)

**The PHA will review and certify the reported information. Interim reviews shall be done for:**

- Reduction in income**
- Quarterly agreements**
- New leases & contracts**

**Interim reviews may be done for any changes in family composition.**

## **Decreases in Income**

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must calculate the change if a decrease in income is reported and the decrease in income lasts in excess of 30 days or more.

## **HA Errors**

If the PHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

## **D. OTHER INTERIM REPORTING ISSUES**

An interim reexamination does not affect the date of the annual recertification.

An interim reexamination will be scheduled for families with unstable income every **90 days (quarterly)**.

Zero (0) income families will be required to report quarterly.

In the following circumstances, the PHA may conduct the interim recertification by mail:

Changes that will not result in a change in tenant rent or voucher size.

Changes in income that are normal for the family, such as seasonal employment.

As a reasonable accommodation when requested.

## **E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

*The QHWRA establishes new requirements for the treatment of income changes resulting from welfare program requirements. These requirements are effective immediately. However, before implementation of the new requirements, the PHA must revise operating procedure to effectuate these provisions.*

The PHA will not reduce the family share of rent for families whose welfare assistance is reduced specifically because of:

Fraud in connection with the welfare program;

Failure to participate in an economic self-sufficiency program; or

Noncompliance with a work activities requirement by the welfare agency.

However, the PHA will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits, or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment

The PHA will notify affected families that they have the right to an informal hearing regarding these requirements. (See "Verification Procedures" chapter.)

### **Definition of "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 included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including:

The amount of the benefit reduction

The term of the benefit reduction

The reason for the reduction

Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).



**Example:**  
Welfare Sanctions

- Note that the HA will not decrease a client’s rent if a decrease in income is due to a sanction ***that is a result of the family’s failure to participate in an economic self-sufficiency program or fraud in connection with the welfare program.*** This does not include sanctions that have been enacted based upon noncompliance with some other welfare requirement, such as missing three appointments. **[E. Welfare Sanctioning (24 CFR Part 5.615)]** The client’s ADC printout will be able to provide you with information about a client’s sanction.
- Imputed Welfare Income: This is income that the family does not actually receive (due to a sanction) but is counted in the calculation of the client’s rent. The best way to explain imputed welfare income is to cite the following examples taken from the Chicago Housing Authority’s procedure manual.

1.1 **Imputing Welfare Income:** For the purposes of rent computation, the amount of welfare income imputed is equal to the amount of the cut made in a family’s welfare benefits. This might seem to be irrelevant, since it will not change a family’s rent, but knowing the amount of imputed welfare income is important if the family should acquire additional income.

1.2 **Additional Income to the Family:** While a family is under the sanction period when their welfare benefits are reduced, if they receive any new income, whether earned or unearned, that new income first off-sets the imputed welfare income.

**Example A:** If a family’s welfare benefits of \$600 per month have been reduced by \$100 per month for either welfare fraud or failing to comply with an economic self sufficiency requirement, and an adult family member gets a part-time job that pays \$80 per month, the \$80 would reduce the amount of imputed welfare income from \$100 per month to \$20 per month. Thus, the family’s rent would not change. It would be based on their real welfare income of \$500, their new employment income of \$80, and the remaining imputed welfare income of \$20. Thus, the family would still be paying a rent based on \$600 per month (their old welfare benefit).

Before Sanction:	<u>\$600 ADC</u> \$600 monthly income
During Sanction:	\$500 ADC <u>\$100 Imputed ADC</u> \$600 monthly income
During Sanction w/new employment	\$500 ADC \$ 20 Imputed ADC <u>\$ 80 earned income</u> \$600 monthly income

Only if new income during the sanction period *exceeds* the amount of imputed welfare income would the family’s income for rent increase, and then only by the amount by which the new income exceeded the welfare benefit reduction/imputed welfare income.

**Example B:** A family's welfare benefits of \$400 per month have been reduced by \$75 per month for either welfare fraud or failing to comply with an economic self sufficiency requirement. An adult family member gets a part-time job that pays \$100 per month. \$75 of the new income would reduce the amount of imputed welfare income to \$0 and the additional \$25 is calculated in the family's rent. Thus, the family's rent would receive an increase based only upon the \$25 that the adult member has received.

Before Sanction:	<u>\$400 ADC</u> \$400 monthly income
During Sanction:	\$325 ADC <u>\$ 75 Imputed ADC</u> \$400 monthly income
During Sanction w/new employment	\$325 ADC \$ 0 Imputed ADC \$ 75 earned income <u>\$ 25 additional earned income</u> \$425 monthly income

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Occupancy Specialist and Assistant Manager will review the calculation for accuracy. If the imputed welfare income amount is correct, the PHA will provide a written notice to the family that includes:

- A brief explanation of how the amount of imputed welfare income was determined;

- A statement that the family may request an informal hearing if they do not agree with the PHA determination.

**Verification Before Denying a Request to Reduce Rent**

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction.

## **Cooperation Agreements**

The PHA has taken a proactive approach to culminating an effective working relationship between the PHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs through the community that are available to HCV tenant-based assistance families.

The PHA and the local welfare agency have mutually agreed to exchange information regarding any programs or services that would benefit Housing Choice Voucher holders.

## **Family Dispute of Amount of Imputed Welfare Income**

If the family disputes the amount of imputed income, and the PHA denies the family's request to modify the amount, the PHA will provide the tenant with a notice of denial, which will include:

An explanation for the PHA's determination of the amount of imputed welfare income

A statement that the tenant may request an informal hearing

**The informal hearing is only to dispute the PHA's determination of the amount of imputed welfare income – not the welfare agency's determination to sanction the welfare benefits.**

## **F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS**

The HUD form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change is mailed to the owner and the tenant. Tenant signatures **are** required by the PHA. If the family disagrees with the rent adjustment they may request an informal hearing.

## **G. TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS**

### **Standard for Timely Reporting of Changes**

The PHA requires that families report interim changes to the PHA within **14 business** days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within **14 business** days of the change.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

**Procedures when the Change is Reported in a Timely Manner**

The PHA will notify the family and the owner of any change in the Housing Assistance Payment due to **any change in income and/or family composition to be effective according to the following guidelines:**

Increases in the Tenant Rent Per the new interim policy, increases will not be added if reported timely unless the family has requested the rent increase be processed for FSS purposes, the family is moving, the family is eligible for EID, the family is on quarterly reporting or at the annual certification.

The changes are effective on the first day of the second month in which the increase occurred provided the family complied with PHA requirements in reporting on a timely basis.

Decreases in the Tenant Rent For income sources which may or may not fluctuate, or are not typically known to be disbursed on a monthly basis (ie. wages, child support, etc) the interim decrease will be effective the first of the month following the month in which the change has occurred. For income sources which are issued for a fixed amount and are typically disbursed in monthly installments (ie. ADC, SS, SSI, etc), the effective date of the interim will be the first day of the month following the date that the income actually ends. No rent reductions will be processed until all facts have been verified, even if a retroactive adjustment results.

**Wage example:**

John Smith received a letter March 3<sup>rd</sup> from his employer stating that his employment with ABC Corporation would end on March 15<sup>th</sup>. The table below shows the payments John has received for the calendar year. The interim would be effective April 1<sup>st</sup>.

Jan 8	Jan 22	Feb 5	Feb 19	March 5	March 19	April
\$480.58	\$454.13	\$465.71	\$498.44	\$462.21	\$312.29	\$0

**ADC Example:**

Jane Doe received a letter March 3<sup>rd</sup> that income would end March 31<sup>st</sup>. The table below shows the payments received for the year. The interim would also be effective April 1<sup>st</sup>.

Jan	Feb	March	April
\$500	\$500	\$500	\$0

The change may be implemented based on documentation provided by the family, pending third-party written verification.

## **Procedures When the Change is Not Reported in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the first of the month following that in which the change occurred. The family will be liable for any overpaid housing assistance and **will be required to sign a Repayment Agreement or make a lump sum payment.** Failure to enter into a repayment agreement will result in termination.

Decrease in Tenant Rent will be effective on the first of the month following the month the change was reported to the PHA.

## **Procedures When the Change is Unreported**

If the family does not report any change in income or household composition, the family will be responsible for the Housing Assistance Payment that was overpaid if the change caused an increase in tenant rent. If the change was a decrease, the PHA will not make the effective date retroactive.

If there was an overpayment in Housing Assistance Payment, the HA may terminate the family for failure of family obligations or may allow the family to enter into a repayment agreement after completing the necessary manuals and/or amendments.

## **Procedures when the Change is Not Processed by the PHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the PHA did not process in a timely manner.

In this case, an increase will be effective the first of the month after completion of processing by the PHA. If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

## **H. REPORTING OF CHANGES IN FAMILY COMPOSITION**

All changes in family composition must be reported within **14 business** days of the occurrence. Increases other than by birth, adoption or court-awarded custody must have the prior approval of the PHA and the owner. *The PHA may grant exceptions from this if the family requests and the PHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members or other individual circumstances.*

**Refer to the definition of a family in Chapter 6, Section C – Reporting Additions to Owner & PHA.**

## **Increases in Family Size**

If an addition would result in overcrowding according to HQS maximum occupancy standards (see chapter 5):

**The PHA will issue a larger Voucher for the family to locate a suitable unit.**

## **I. CONTINUANCE OF ASSISTANCE FOR “MIXED” FAMILIES**

Under the Non-citizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

**The Non-citizens Rule was implemented prior to November 29, 1996**, and "mixed" families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all the following criteria:

1. The head of household or spouse is a U.S. citizen or has eligible immigrant status; AND
2. All members of the family other than the head, the spouse, parents of the head, parents of the spouse, and children of the head or spouse are citizens or eligible immigrants. The family may change the head of household to qualify under this provision.

## **J. MISREPRESENTATION OF FAMILY CIRCUMSTANCES**

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

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## Chapter 13

# MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

## INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within the PHA's jurisdiction, or to a unit outside of the PHA's jurisdiction under Portability procedures. The regulations also allow the PHA the discretion to develop policies which define any limitations or restrictions on moves.

## A. ALLOWABLE MOVES

A family may move to a new unit with continued assistance if:

1. The assisted lease for the old unit has terminated because the PHA has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
2. The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
3. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner).

## B. RESTRICTIONS ON MOVES

Families **may not** be permitted to move within the PHA's jurisdiction during the initial year of assisted occupancy unless the owner has cause or willfully wishes to terminate the lease.

Families **may not** be permitted to move outside the PHA's jurisdiction under portability procedures during the initial year of assisted occupancy.

Families **may not** be permitted to move more than once in a 12-month period.



The PHA will deny permission to move if there is insufficient funding for continued assistance. The PHA will deny permission to move to if:

The family has violated a Family Obligation.

The family owes the PHA money.

The family has moved or been issued a Voucher within the last 12 months.

The PHA may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

## **C. PROCEDURE FOR MOVES**

### **Issuance of Voucher**

Subject to the restrictions on moves, if the family has not been recertified within the last 120 days, the PHA will issue the voucher to move **after conducting the recertification** interview. *The family MUST attend a moving orientation in order to receive the RFTA.*

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

The annual recertification date will be changed to coincide with the new lease-up date.

### **Notice Requirements**

Briefing sessions emphasize the family's responsibility to give the owner and the PHA proper written notice of any intent to move.

The family must give the owner the required number of days written notice of intent to vacate specified in the lease and must give a copy to the PHA simultaneously.

### **Time of Contract Change**

A move within the same building or development, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance.

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

## **D. PORTABILITY**

Portability applies to families moving out of or into the PHA's jurisdiction within the United States and its territories.

## **E. OUTGOING PORTABILITY**

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside the PHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a family requests to move outside of the PHA's jurisdiction, the request must specify the area to which the family wants to move.

If there is more than one PHA in the area in which the family has selected a unit, the **family must provide the name and address of the receiving PHA as well as the phone and fax number. If the name of the Portability Officer is available, they must provide that as well.**

**PHAs are authorized and required (in accordance with 24 CFR 982.355(c)(4)) to provide the receiving PHA with the EIV report of the family who is porting out. This information is necessary to ensure accurate income and rent determinations. Until the family shows up under the receiving PHAs portfolio in PIC, the receiving PHA is not able to access the family's EIV report.**

**It is the LMHA's responsibility to ensure that prior and current income and rent determinations are accurate and that there are no outstanding issues with the tenant prior to the family porting out. (10/10/12)**

### **Restrictions on Portability**

#### **Applicants**

If neither the head nor spouse had a domicile (legal residence) in the PHA's jurisdiction at the date of their initial application for assistance, the family **will not** be permitted to exercise portability upon initial issuance of a voucher, unless the PHA approves such move. (NOTE: Legal domicile is defined by local government.)

Upon initial issuance of a voucher the family must be income eligible under the receiving PHA income limits during the initial 12-month period after admission to the program.

#### **Participants**

After an applicant has leased up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy, except in the following circumstances:

The receiving and initial PHA agree to allow the move  
The lease is terminated between the tenant and owner

The PHA may deny families the right to exercise portability if:  
The family is in violation of a family obligation  
The family owes money to the PHA  
The family has moved out of its assisted unit in violation of the lease

## **F. INCOMING PORTABILITY**

### **Absorption or Administration**

The PHA will accept a family with a valid Voucher from another jurisdiction and administer or absorb the Voucher. If administering, the family will be issued a “Portable” Voucher by the PHA. The term of the voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for approval of tenancy for an eligible unit to the receiving PHA during the term of the receiving PHA Voucher. The receiving PHA may grant extensions in accordance with this Administrative Plan. However, if the Family decides not to lease up in the PHA’s jurisdiction, they must contact the initial PHA to request an extension.

The PHA may absorb Vouchers if such absorption does not exceed **10 percent** of households assisted.

The PHA will absorb all incoming portable families provided that there is funding available.

When the PHA does not absorb the incoming Voucher, it will administer the Initial PHA’s Voucher and the receiving PHA’s policies will prevail.

For admission to the program a family must be income eligible in the area where the family initially leases a unit with assistance under the program.

The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA HCV tenant-based program.

The PHA will issue a “Portability Voucher” according to its own Subsidy Standards. If the Family has a change in family composition which would change the Voucher size, the PHA will change to the proper size based on its own Subsidy Standards.

### **Income and TTP of Incoming Portables**

As Receiving PHA, the PHA will conduct a recertification interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family’s circumstances.

If the family's income exceeds the income limit of the PHA, the family will not be denied assistance unless the family is an applicant (and over the Very-Low Income Limit).

## **Requests for Approval of Tenancy**

**Families must attend the mandatory moving orientation when the Voucher is issued.**

When the Family submits a Request for Tenancy Approval, it will be processed using the PHA's policies. If the Family does not submit a Request for Tenancy Approval or does not execute a lease, the Initial PHA will be notified within **10 business days** by the PHA.

If the Family leases up successfully, the PHA will notify the Initial PHA within **10 business days**, and the billing process will commence.

The PHA will notify the initial PHA if the family fails to submit a request for approval of tenancy for an eligible unit within the term of the Voucher.

If the PHA denies assistance to the family, the PHA will notify the Initial PHA within **10 business days** and the family will be offered a review or hearing.

The PHA will notify the Family of its responsibility to contact the Initial PHA if the Family wishes to move outside the PHA's jurisdiction under continued portability.

## **Regular Program Functions**

The PHA will perform all program functions applicable to the tenant-based program such as:

- Annual re-exam of family income and composition
- Annual inspection of the unit
- Interim Examinations when requested or deemed necessary

## **Terminations**

The PHA will notify the Initial PHA in writing of any termination of assistance within **10 business days** of the termination. If an Informal Hearing is required and requested by the Family, the hearing will be conducted by the PHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the Initial PHA.

The Initial PHA will be responsible for collecting amounts owed by the Family for claims paid and for monitoring repayment. If the Initial PHA notifies the PHA that the Family is in arrears or the Family has refused to sign a Repayment Agreement, the PHA will terminate assistance to the family.

## **Required Documents**

As Receiving PHA, the PHA will require the following documents from the Initial PHA:

A copy of the family's Voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.

The most recent HUD 50058 form, verifications and **EIV (7/2010 CFR 982.355(c)(4))**.

The Portability Form-52665, with Part 1 completed.

## **Billing Procedures**

As Receiving PHA, the PHA will bill the Initial PHA **monthly** for Housing Assistance Payments. The billing cycle for other amounts, including Administrative Fees and Special Claims will be **monthly** unless requested otherwise by the Initial PHA.

The PHA will bill 100% of the Housing Assistance Payment, 100% of Special Claims and 80% of the Administrative Fee (at the Initial PHA's rate) and any other HUD-approved fees, for each "Portability" Voucher leased as of the first day of the month.

The PHA will notify the Initial PHA of changes in subsidy amounts and will expect the Initial PHA to notify the PHA of changes in the Administrative Fee amount to be billed.

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## Chapter 14

# CONTRACT TERMINATIONS

## INTRODUCTION

The Housing Assistance Payments (HAP) Contract is the contract between the owner and the PHA which defines the responsibilities of both parties. This Chapter describes the circumstances under which the contract can be terminated by the PHA and the owner, and the policies and procedures for such terminations.

## A. CONTRACT TERMINATION

The term of the HAP Contract is the same as the term of the lease. The Contract between the owner and the PHA may be terminated by the PHA, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by the PHA to the owner after the month in which the Contract is terminated. The owner must reimburse the PHA for any subsidies paid by the PHA for any period after the contract termination date.

If the family continues to occupy the unit after the HCV contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from the PHA for vacancy loss under the provisions of Certificate contracts effective on or after October 2, 1995.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may be lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

## B. TERMINATION BY THE FAMILY MOVES

Family termination of the lease must be in accordance with the terms of the lease.

## **C. TERMINATION BY THE OWNER: EVICTIONS**

If the owner wishes to terminate the lease, the owner is required under the lease, to provide proper notice as stated in the lease. During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the term of the lease the owner may only evict for:

Serious or repeated violation of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease

Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety, or right to peaceful enjoyment of the premises by the other residents, or persons residing in immediate vicinity of the premises or any drug related criminal activity on or near the premises

Other good cause

### **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 they have engaged in the criminal activity:

Regardless of arrest or conviction

Without satisfying the standard of proof used for criminal conviction

### **Termination of Tenancy Decisions**

If the law and regulation permit the owner to take an action but do not require action to be taken, the owner can decide whether to take action. Relevant circumstances include:

The seriousness of the offense

The effect on the community

The extent of participation by household members

The effect on uninvolved household members

The demand for assisted housing by families who will adhere to responsibilities

The effect on the integrity of the program

The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent



## **Exclusion of culpable household member**

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit.

## **Consideration of Rehabilitation**

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating
- Has successfully completed a supervised drug or alcohol rehab program
- Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the above three.

Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR.

The owner must provide the tenant and the PHA a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The 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.

Housing Assistance Payments are paid to the owner under the terms of the HAP Contract. If the owner has begun eviction 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.

If the action is finalized in court, the owner must provide the PHA with the documentation, including notice of the lock-out date.

The PHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated.

By endorsing the monthly check from the PHA, the owner certifies that the tenant is still in the unit, the rent is reasonable, and the family is in compliance with the contract.

If the eviction 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.

## **D. TERMINATION OF THE CONTRACT BY PHA**

The term of the HAP contract terminates when the lease terminates, when the PHA terminates program assistance for the family, and when the owner has breached the HAP contract. (See “Owner Disapproval and Restriction” chapter).

The PHA may also terminate the contract if:

The PHA terminates assistance to the family.

The family is required to move from a unit when the unit does not meet the HQ space standards because of an increase in family size (overcrowded unit).

Funding is no longer available under the ACC.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

### **Notice of Termination**

When the PHA terminates the HAP contract under the violation of HQ space standards, the PHA will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives such notice to the owner.

## **E. LMHA VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**

Recipients of HCV benefits have certain rights under the Violence Against Women Act (VAWA), 42 U.S.C. 1437 *et seq.*

Being a victim of VAWA would not keep the applicant from receiving assistance if they are otherwise eligible. The victim does have to comply with submission of required documents and forms.

See full Lorain Metropolitan Housing Authority Policy in the Appendix Section of this Administration Plan.

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## Chapter 15

# DENIAL OR TERMINATION OF ASSISTANCE

## INTRODUCTION

The PHA may deny or terminate assistance for a family because of the family's action or failure to act. The PHA will provide families with a written description of the Family Obligations under the program, the grounds under which the PHA can deny or terminate assistance, and the PHA's informal hearing procedures. This Chapter describes when the PHA is required to deny or terminate assistance, and the PHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

## A. GROUNDS FOR DENIAL/TERMINATION

If denial or termination is based upon behavior resulting from a disability, the PHA will delay the denial or termination in order to determine if there is an accommodation which would negate the behavior resulting from the disability.

### Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the PHA waiting list

- Denying a voucher or withdrawing a voucher

- Refusing to enter into a HAP contract or approve a lease

- Refusing to process or provide assistance under portability procedures

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

## **Mandatory Denial and Termination**

The PHA must deny assistance to applicants, and terminate assistance for participants:

If any member of the household fails to sign and submit HUD or PHA required consent forms for obtaining information.

If no member of the household is a U.S. citizen or eligible immigrant (Section D).

If the family is under contract and 180 days have elapsed since the PHA's last housing assistance payment was made (see "Contract Terminations" chapter).

The PHA must permanently deny assistance to applicants and terminate the assistance of persons convicted of manufacturing or producing methamphetamine in violation of any Federal or State law.

[If any member of the household is subject to a lifetime sex offender registration under a State sex offender registration program.](#)

If any member of the household has been evicted from housing assisted under the program for a serious violation of the lease, the PHA must deny admission for three (3) years after the eviction occurred.

The PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

The PHA must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

## **Grounds for Denial or Termination of Assistance**

The PHA will deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

The family violates any family obligation under the program as listed in 24 CFR 982.551.

Any member of the household has ever been evicted from public housing within the last ~~five~~[three \(3\)](#) years.

If any member of the household commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

If any member has failed to meet financial obligations and/or currently owes rent or other amounts to the LMHA in connection with a previous tenancy or HCVP participation, [including community service hours](#).

The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent or other amounts owed by the family under the lease.

The family breaches an agreement with a PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.

The family has engaged in or threatened abusive or violent behavior toward PHA personnel.

"Abusive or violent behavior toward PHA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

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

Actual physical abuse or violence will always be cause for termination.

If any member of the family engages in or permits drug-related criminal activity or violent criminal activity, or whose drug or alcohol abuse interferes with the health, safety, or peaceful enjoyment of other residents.

If any member of the household has a history or pattern of criminal activity involving crimes to persons or property and/or other criminal acts that affect the health, safety, or peaceful enjoyment of the premises by other residents.

If any member of the household was recently released from incarceration, parole, probation or a community control program or any other court supervised intervention program which requires reporting to the court or agency. Recent is defined as within three (3) years. Must have, at a minimum, a clear three year criminal history from the date of completion of sentencing requirements.

If any member of the household has a history of disturbing neighbors.

If any member of the household has engaged in criminal activity and/or has been convicted of any felony within the last three years.

The Housing Authority may prohibit readmission to the program for a minimum period of three years for a person that has committed fraud in connection with the HCV program or waiting list.

*Solely at LMHA's discretion*, an individual may enter the HCV program owing LMHA money if LMHA determines the applicant merits another chance to participate in the

HCV Program. An applicant owing money must provide documentation to the Housing Authority which the Housing Authority shall use to determine if the applicant merits receiving rental assistance prior to payment of the balance to LMHA. The applicant shall be required to sign a repayment agreement indicating payment on the balance will begin the month following admission into the HCV rental assistance program. Failure to comply with the agreement shall result in immediate termination of HCV rental assistance. (1/03)

## **B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

### **Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of LMHA to fully endorse and implement a policy designed to:

Help create and maintain a safe and drug-free community

Keep our program participants free from threats to their personal and family safety

Support parental efforts to instill values of personal responsibility and hard work

Help maintain an environment where children can live safely, learn and grow up to be productive citizens

Assist families in their vocation/education goals in the pursuit of self-sufficiency

### **Administration**

All screening and termination of assistance procedures will be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, or other legally protected groups.

To the maximum extent possible, the PHA will involve other community and governmental entities in the promotion and enforcement of this policy.

### **Screening of Applicants**

In an effort to prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by the Regulation, the PHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior/activity.

| [Refer to the Applicant Screening Process in Chapter 3, Section H.](#)

## **Definitions**

*Covered person* means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

*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: (a) the illegal manufacture, sale, distribution of an illegal drug, (b) or use of an illegal drug, (c) or possession of an illegal drug/drug paraphernalia, (d) or possession of a drug with intent to manufacture, sell, distribute or use a drug. Drug related criminal activity by a family member **means on or off** the premises not just *on or near*. *Police records, court documents will be used to constitute preponderance of evidence.*

*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. The requirements of part 982 apply to a guest as so defined.

*Household* means the family including foster-care members and PHA-approved live-in aide.

*Other person under the tenant's control* for the purposes of "covered person" means that 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.

*Violent criminal activity* includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity is being engaged in by any family member on or off the premises not just on or near.

## **Standard for Violation**

The PHA will deny participation in the program to applicants and terminate assistance to participants in cases where the PHA determines there is reasonable cause to believe that the person is illegally using a controlled substance or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where the PHA determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse.

The PHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous three months.



“Engaged in or engaging in” violent criminal activity means any act within the past three years by applicants or participants, household members or guests which involved criminal activity that has as one of its elements: the use, attempted use, or threatened use of physical force against the person of another, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

The activity is being engaged in by any family member.

The existence of the above-referenced behavior by any household member or guest, regardless of the applicant or participant’s knowledge of the behavior, will be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

### **Drug Related and Violent Criminal Activity**

#### **Ineligibility for admission if evicted for drug-related activity**

Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the HCV program for a **minimum three-year** period beginning on the date of such eviction.

#### **Applicants will be denied assistance if they have:**

Engaged in drug-related criminal activity or have been arrested, convicted or evicted from a unit assisted under the Housing Act of 1937 due to drug-related or violent criminal activity within the last three years prior to the date of the application interview. They must be cleared of all charges and rights restored for three years before applying for assistance.

### **Termination of Assistance for Participants for Drug-related or violent criminal activity**

Participants will be terminated who have been:

Arrested, convicted, evicted from a unit assisted under any Federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the date of the notice to terminate assistance. Participants terminated for drug-related or violent criminal activity may not reapply to the program for three years from the moment they are cleared of all charges and their rights have been restored to them.

If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, the PHA will terminate assistance.

In appropriate cases, the PHA may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in

the unit. If the violating member is a minor, the PHA may consider individual circumstances with the advice of Juvenile Court officials.

The PHA may also waive the requirement regarding drug-related criminal activity if the person demonstrates successful completion of a credible rehabilitation program approved by the PHA since the most recent occurrence.

### **Denial of Assistance for Sex Offenders**

The PHA will permanently deny admission/participation ~~if~~of any member of the household who is ~~a reported sexual offender~~ subject to a lifetime sex offender registration under a State sex offender registration program. The PHA will compare names to the most current offender list available.

### **Terminating Assistance for Alcohol Abuse by Household Members**

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if the PHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

In appropriate cases, the PHA may permit the family to continue assistance if the household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, the PHA may consider individual circumstances with the advice of Juvenile Court officials.

### **Notice of Termination of Assistance**

In any case where the PHA decides to terminate assistance to the family, the PHA must give family written notice which states:

The reason(s) for the proposed termination,

The effective date of the proposed termination,

The family's right to request an Informal Hearing,

The date by which a request for an informal hearing must be received.

The PHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

## **Required Evidence**

*Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

The PHA will pursue fact-finding efforts as needed to obtain credible evidence.

The PHA will terminate assistance for criminal activity by a household member under this section if the PHA has determined that the household member has engaged in the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

## **Confidentiality of Criminal Records**

The PHA will ensure that any criminal record received 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 LMHA action without institution of a challenge or the final disposition of any such challenge or legal litigation. Once LMHA has determined the records are of no further use, LMHA shall note on the "Criminal Record Disposition Form" the date of disposal (shredding), the LMHA employee disposing of the record and the name of the State or Local Agency from which the records were obtained.

Criminal records are to be managed in accordance with the requirements in 24 CFR 5.903(g). Consent forms obtained from applicants expire automatically immediately following the PHAs final decision to either approve or deny admission. If a person is denied admission, the record must be destroyed in a timely manner following the expiration period of the statute of limitations for civil action challenging a denial.

In addition, PHAs must handle any information obtained from other records in accordance with applicable State and Federal privacy laws and with the provision of the consent forms signed by the applicant/family. (01/08)

See Appendix 5 – Policy For Use, Retention and Disposal of Criminal History Information.

## **C. FAMILY OBLIGATIONS**

The family must supply any information that the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release or other documentation.

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 in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS breach caused by the family.

The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.

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

The family must notify the owner and, at the same time, notify the PHA before the family moves out of the unit or terminates the lease on notice to the owner.

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 PHA approved 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 inform the PHA 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.

The family must promptly notify the PHA if any family member no longer resides in the unit.

If the PHA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or PHA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.

The family must not sublease or let the unit.

The family must not assign the lease or transfer the unit.

The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of absence from the unit.

The family must not own or have any interest in the unit.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

The members of the family may 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.

The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

An assisted family, or members of the family, may not receive HCV tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) Federal, State, or local housing assistance program.

### **Housing Authority Discretion**

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA has discretion to consider all of the circumstances in each case, including the seriousness of the case. The PHA will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. The PHA may also review the family's history and records of compliance, and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

The PHA may impose, as a condition of continued assistance for other family members, a requirement those family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. The PHA may permit the other members of a family to continue in the program.

## **Enforcing Family Obligations**

### **Explanations and Terms**

The term "Promptly" when used with the Family Obligations always means "within 14 business days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

### **HQS Breach:**

The **inspector** will determine if a HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may request and may be approved for an extension to cure HQS breaches by the HCV Manager or Assistant Manager. Requests must be made prior to the date repairs are due.

### **Lease Violations:**

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

If the owner terminates tenancy through court action for serious or repeated violation of the lease.

If the owner notifies the family of termination of assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the PHA determines that the cause is a serious or repeated violation of the lease based on available evidence.

If the owner notifies the family of termination of assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action.

If there are police reports, neighborhood complaints or other third-party information, and the PHA has verified the information.

Nonpayment of rent is considered a serious lease violation when the owner has submitted on a regular basis evidence of his attempt to collect the rent and notification to the tenant for their failure to pay.

### **Notification of Eviction:**

If the family requests assistance to move and they did not notify the PHA of an eviction within 14 business days of receiving the Notice of Lease Termination, the move may be denied.

### **Proposed Additions to the Family:**

The PHA will deny a family's request to add additional family members who are:

Persons who have been evicted from public housing.

Persons who have previously violated a family obligation listed in 24 CFR 982.551 of the HUD regulations.

Persons who have been part of a family whose assistance has been terminated under the Certificate or Voucher program.

Persons who commit drug-related criminal activity or violent criminal activity.

Persons who do not meet the PHA's definition of family.

Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

Persons who currently owe rent or other amounts to the PHA or to another PHA in connection with HCV or public housing assistance under the 1937 Act.

Persons who have engaged in or threatened abusive or violent behavior toward PHA personnel.

### **Family Member Moves Out:**

Families are required to notify the PHA if any family member leaves the assisted household. When the family notifies the PHA, they must complete an "out-of-household" affidavit certifying:

The date the family member moved out,

The new address of the family member,

A statement as to whether the member is temporarily or permanently absent.

### **Limitation on Profit-making Activity in Unit:**

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If the PHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If the PHA determines that the business is not legal, it will be considered a program violation.

### **Interest in Unit:**

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad.

### **Fraud:**

In each case, the PHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims, see Section below.

## **D. PROCEDURES FOR NON-CITIZENS**

### **Denial or Termination Due to Ineligible Immigrant Status**

Applicant or participant families in which all members are neither U. S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. The PHA must offer the family an opportunity for a hearing. (See “Eligibility for Admission” chapter, section on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family’s eligible immigration status is pending.

### **False or Incomplete Information**

When the PHA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the PHA will give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

The PHA will then verify eligible status, deny, terminate, or prorate as applicable.

The PHA will deny or terminate assistance based on the submission of false information or misrepresentation.

### **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the



INS and request a hearing with the PHA either after the INS appeal or in lieu of the INS appeal.

After the PHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

#### **E. ZERO (\$-0-) ASSISTANCE TENANCIES**

The family may remain in the unit at \$0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance will be terminated. If, within the 180 day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, the PHA will resume assistance payments for the family.

#### **F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION**

If the family has misrepresented any facts that caused the PHA to overpay assistance, the PHA may choose not to terminate and may offer to continue assistance provided that the family **executes a Repayment Agreement and makes payments in accordance with the agreement, or reimburses the PHA in full.**

#### **G. MISREPRESENTATION IN COLLUSION WITH OWNER**

If the family intentionally, willingly, and/or knowingly commits fraud or is involved in any other illegal scheme with the owner, the PHA will deny or terminate assistance.

In making this determination, the PHA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

#### **H. MISSED APPOINTMENTS AND DEADLINES**

It is a Family Obligation to supply information, documentation, and certification as needed for the PHA to fulfill its responsibilities. The PHA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow the PHA to inspect the unit and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment or to supply information required by a deadline, without notifying the PHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the PHA to inspect the unit.

The family will be given information about the requirement to keep appointments, and the number of times appointments will be rescheduled as specified in this Plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

Eligibility for Admissions

Verification Procedures

Certificate/Voucher Issuance and Briefings

Housing Quality Standards and Inspections

Recertifications

Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

Medical emergency

Family emergency

### **Procedure when Appointments are Missed or Information is not Provided**

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing:

The termination may be rescinded after the family cures the breach.

The notice may be rescinded if the family offers to cure and the family does not have a history of noncompliance.

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## Chapter 16

# OWNER DISAPPROVAL AND RESTRICTION

## INTRODUCTION

It is the policy of the PHA to recruit owners to participate in the voucher program. The PHA will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PHA. The regulations define when the PHA must disallow an owner participation in the program, and they provide the PHA discretion to disapprove or otherwise restrict the participation of owners in certain categories. This Chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

## A. IDENTIFICATION OF AN OWNER

The LMHA is required by law to retain 28% of a landlord's monthly rental income for unresolved discrepancies that appear on the annual IRS Discrepancy Report. The HCVP is working to circumvent any errors. Effective January 1, 2013, landlords will be asked to provide this office with a copy of top portion of their most recent tax returns, as illustrated in the following diagram:

The image shows the top portion of a 2011 U.S. Individual Income Tax Return (Form 1040). The form is titled "Form 1040 U.S. Individual Income Tax Return 2011" and includes the Department of the Treasury and Internal Revenue Service logo. The tax year is 2011. The form is divided into several sections for personal information:

- Header:** Form 1040, Department of the Treasury—Internal Revenue Service (99), 2011, OMB No. 1545-0074, IRS Use Only—Do not write or staple in this space.
- Line 1:** For the year Jan. 1–Dec. 31, 2011, or other tax year beginning \_\_\_\_\_, 2011, ending \_\_\_\_\_, 20.
- Line 2:** Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_
- Line 3:** Your social security number \_\_\_\_\_
- Line 4:** If a joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_
- Line 5:** Spouse's social security number \_\_\_\_\_
- Line 6:** Home address (number and street), if you have a P.O. box, see instructions. \_\_\_\_\_ Apt. no. \_\_\_\_\_
- Line 7:** City, town or post office, state, and ZIP code, if you have a foreign address, also complete spaces below (see instructions). \_\_\_\_\_
- Line 8:** Foreign country name \_\_\_\_\_ Foreign province/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_
- Line 9:** Presidential Election Campaign. Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

Landlords are not required to disclose their income information, nor to provide this office with their return in its entirety. Only the TOP portion of the tax form is required. The HCVP must ensure that the name, address and Taxpayer Identification Number which an owner has provided on his or her W9 Form agrees with the information that was submitted to the IRS. Beginning January 1, 2013 landlords will be asked to provide this documentation when they attend a renewal of their Landlord Briefing, or complete an online Certification. Should the landlord's information change in the future, he or she will be asked to provide a current documentation.

## **B. DISAPPROVAL OF OWNER**

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

The PHA **will** disapprove the owner for the following reasons **but has the discretion to consider all of the circumstances in each case, including the seriousness of the case:**

HUD or **other agency directly related** has informed the PHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed the PHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.

HUD has informed the PHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.

Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. The PHA may waive this restriction if proven the arrangement is necessary as a reasonable accommodation for a family member who is a person with a disability.

In cases where the owner and tenant bear the same last name, the PHA may, at its discretion, require the family and/or owner to certify whether they are related to each other in any way.

The owner has violated obligations under a housing assistance payment's contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

The owner has engaged in drug-related criminal activity or violent criminal activity.

**The owner is a convicted sexual offender under the state sex offender registration program.**

The owner has a history or practice of noncompliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based HCV assistance or leased under any other federal housing program.

The owner has a history or practice of renting units that fail to meet State or local housing codes.

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under HCV or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

Threatens the right to peaceful enjoyment of the premises by other residents;

Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing;

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

Is drug-related criminal activity or violent criminal activity.

The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

### **C. OWNER RESTRICTIONS AND PENALTIES**

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the PHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The PHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner the PHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

### **D. CHANGE IN OWNERSHIP**

The current owner (seller) must notify the PHA advising the anticipated sale of a property.

When there is a purchase agreement, and settlement looks promising, the seller must contact PHA and advise the new owner to contact the PHA also.

The PHA will process a change of ownership only upon the request of the new owner and only if accompanied by a copy of the document showing the purchase agreement, transfer of title, or recorded deed. The new owner must also provide Social Security number or Federal ID for tax reporting.

Upon approval of the documents, the PHA will prepare a contract assignment for the balance of the existing term of the HAP Contract. When the Contract term is due to expire, the new

owner will be given opportunity to enter into a new lease and contract. The family may elect to enter into the new lease, or move to another unit.

**Change in Ownership due to death (eff 1/12)**

The HA will pay HAP up to 60 days from the date of the owner's death if the HA has not received notice of a new landlord. After 60 days, the HAP will stop.

After 180 days of no HAP payment, the contract will terminate. If the family moves before 180 days, the HAP will terminate. If we receive documentation showing proof of ownership, the HA will assign the HAP contract to the new owner and release payment once the Contract Assignment is executed.

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## Chapter 17

# OWNER OR FAMILY DEBTS TO THE PHA

### INTRODUCTION

This Chapter describes the PHA's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to the PHA, the PHA will make every effort to collect it. The PHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments

- Civil suits

- Repayment agreements

- Abatements

- Reductions in HAP to owners

- Collection agencies

- Credit bureaus

- Income Tax set-off programs

## **A. REPAYMENT AGREEMENT FOR FAMILIES**

A Repayment Agreement as used in this Plan is a document entered into between the PHA and a person who owes a debt to the PHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of repayment, any special provisions of the agreement, and the remedies available to the PHA upon default of the agreement.

The PHA will prescribe the terms of the payment agreement, including determining whether to enter into a payment agreement with the family based on the circumstances surrounding the debt to the PHA.

A family who has been terminated from a program of the PHA may enter into a repayment agreement, but will not be eligible for application of future assistance until the debt is paid in full unless:

### **The debt has had no activity regardless of amount in the last 7 years**

Per Legal Counsel 9/21/99 (re bankruptcy write-offs): Merely because the HCV debt has been written off, the person is not cleared to participate in a HCV program in the future. Obviously, they have violated the terms and conditions of the HCV program, and LMHA has the right to deny HCV participation of that person. The participant may very well sign a reaffirmation agreement which would reaffirm the debt and set up some type of payment obligations.

### **Repayment Schedule for Monies Owed to the PHA (6/16/04)**

If a repayment agreement is offered, the agreement shall adhere to the following schedule of payment:

\$ 1.00	to	\$ 300.00	up to 4 months
\$ 301.00	to	\$ 500.00	up to 6 months
\$ 501.00	to	\$ 800.00	up to 9 months
\$ 801.00	to	\$1000.00	up to 12 months
\$1001.00	to	\$1500.00	up to 15 months
\$1501.00	to	\$2000.00	up to 18 months
\$2001.00	to	\$2500.00	up to 24 months

Any deviation from the above schedule must be approved by the HCV Manager, along with securing the approval of either the Director or Assistant Director. Please note: "up to" does not mean that the maximum number of months must be given. The above referenced repayment schedule will be used for all overpayments resulting from non-disclosed income, whether it is disclosed to LMHA under the UIV system or LMHA is able to detect unreported income.

Circumstances in which the PHA would terminate assistance and not enter into an agreement are:

The family has caused 3 previous agreements by failure to report.

The PHA determines that the family committed program fraud.

The PHA determines that the debt amount is larger than can be paid back within the required timeframe.

## **B. DEBTS DUE TO MISREPRESENTATIONS (FRAUD) OR NON-REPORTING OF INFORMATION**

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of HCV program funds in violation of HCV program requirements.

### **Family Error/Late Reporting**

Families who owe money to the PHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

More than three occurrences will be considered repetitive violation and cause for termination.

### **Program Fraud**

Families who owe money to the PHA, due to program fraud, will be required to repay in accordance with the guidelines in the Repayment Section of this Chapter. Termination may occur depending on circumstances such as length of time, amount owed, willful intent.

When a person who owes the PHA money is terminated from the Housing Choice Voucher Program the following steps will be taken:

If the debt is between \$1 to \$4000, monthly statements will be sent as long as the PHA has a current address and regular payments have been made.

If the debt is between \$5000 and \$9999, statements will be sent as long as the PHA has a current address and regular payments have been made.

All debts over \$2500.00 will be reported to a Credit Bureau.

Debts over \$5000.00 will be sent to LMHA Legal Counsel to determine means of pursuing collection.

Debts over \$10,000 will be sent to the HUD Inspector General's Office.

Also see LMHA EIV policy under Program Integrity Chapter.

When a debt is referred to LMHA Legal Counsel or the HUD IG Office:

A memo will be put in the file showing to whom and the date the pertinent information was sent, as well as the LMHA personnel who completed the process

The file will be maintained in a special drawer marked "Legal"

After 12 months, a reminder letter will be sent to Legal or HUD IG to ascertain their status, if the PHA has not received any prior information

### **C. DEBTS DUE TO MINIMUM RENT TEMPORARY HARDSHIP**

The PHA does not have an established minimum rent

### **D. GUIDELINES FOR REPAYMENT AGREEMENTS**

Repayment Agreements will be executed between the PHA and the head of household, spouse and co-head. Other adults may also be held responsible if they were part of the cause of the repayment agreement.

LMHA will send monthly statements showing the amount due and payable at the LMHA-DESIGNATED bank (currently Lorain National Bank). All payments must be received no later than the 8<sup>th</sup> of the month for accounts to be considered current.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice by the family. The family must provide verification of the hardship and receive approval of the HCV Manager or LMHA executive.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the Repayment Agreement is current:

Family size exceeds the HQS maximum occupancy standards.

The HAP contract is terminated due to owner noncompliance.

A natural disaster.

## **Additional Monies Owed**

If the family has a Repayment Agreement in place and incurs an additional debt to the PHA:

The PHA will not enter into more than three Repayment Agreements with the same family. A fourth occurrence will be cause for termination from the program for repeated violation of family obligations.

Additional amounts owed by the family will be added to the existing repayment agreement and the family will be required to sign a new repayment agreement in accordance with the Repayment Agreement Section of this Chapter.

If a Repayment Agreement is in arrears more than sixty (60) days, any new debts must be paid in full.

## **Late Payments**

A payment will be considered to be in arrears if:

The payment is not received by the close of the business day seven (7) days after the due date. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, and the family has not contacted or made arrangements with the PHA, the PHA will:

Require the family to pay the balance in full;

Pursue civil collection of the balance due;

Terminate the housing assistance;

Grant an extension of no more than thirty (30) days.

If the family requests a move to another unit and has a repayment agreement in place:

The family will be required to pay the balance in full prior to the issuance of a voucher.

If the family must move through no fault of their own (owner is forcing move), a voucher may be offered to locate another unit if all payments are current.

## **E. OWNER DEBTS TO THE PHA**

If the PHA determines that the owner has retained Housing Assistance or Claim Payments the owner is not entitled to, the PHA may reclaim the amounts from future Housing Assistance or Claim Payments owed the owner for any units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, the PHA will:

Require the owner to pay the amount in full within 30 days.

Pursue collections through the local court system.

Restrict the owner from future participation.

## **F. WRITING OFF DEBTS**

Debts will be written off if:

The debtor is deceased.

The amount is less than \$100.00.

A determination is made that the debtor is judgment proof.

The debtor is no longer a participant in a LMHA program and the debt is more than 60 days in arrears.

Files in which the family owes money will be put in a seven (7) year holding pattern. If a participant attempts to re-enter the program during the seven years, they will have to pay the debt.

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## COMPLAINTS AND APPEALS

### INTRODUCTION

The Informal Hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of the PHA. This Chapter describes the policies, procedures and standards to be used when families disagree with a PHA decision. The procedures and requirements are explained for denial meetings, Informal Reviews and Hearings. It is the policy of the PHA to ensure that all families have the benefit of all protections due to them under the law.

### A. COMPLAINTS TO THE PHA

The PHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The PHA **may** require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone. All complaints will be referred to the HCV department to arrange meetings, informal hearings, informal reviews, special inspections, investigations.

#### Categories of Complaints

**Complaints from families:** If a family disagrees with an action or inaction of the PHA or owner

**Complaints from owners:** If an owner disagrees with an action or inaction of the PHA or a family

**Complaints from staff:** If a staff person reports an owner or family either violating or not complying with program rules

**Complaints from the general public:** Complaints or referrals from persons in the community in regard to the PHA, a family or an owner

### B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an Informal Hearing.



When the PHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

The reason(s) they are ineligible,

The procedure for requesting a review, and

The time limit for requesting a review.

The PHA must provide applicants with the opportunity for an Informal Review of decisions denying:

Listing on the PHA's waiting list

Issuance of a Voucher

Participation in the program

Informal Reviews are not required for established policies and procedures and PHA determinations such as:

Discretionary administrative determinations by the PHA

General policy issues or class grievances

A determination of the family unit size under the PHA subsidy standards

Refusal to extend or suspend a Voucher

PHA determination not to grant approval of tenancy

Determination that unit is not in compliance with HQS

Determination that unit is not in accordance with HQS due to family size or composition

### **Procedure for Review**

A request for an Informal Review must be received **in writing** by the close of the business day, no later than **10 business** days from the date of the PHA's notification of denial of assistance. The informal review will be scheduled within **10 business** days from the date the request is received.

The Informal Review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

### **The Review may be conducted by:**

Any person or persons designated by the PHA Executive Director, other than a person who made or approved the decision under review or a subordinate of this person.

The applicant will be given the option of presenting oral or written objections to the decision. Both the PHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

When denying admission for criminal activity as shown by a criminal record, the PHA will provide the subject of the record and the applicant may be given a copy of the criminal record upon which the decision to deny was based.

A Notice of the Review findings will be provided in writing to the applicant within **ten** to fifteen days after the review. It will include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

### **C. INFORMAL HEARING PROCEDURES**

The PHA will provide a copy of the hearing procedures in the family briefing packet.

When the PHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. The PHA will give the family prompt notice of such determinations which will include:

The proposed action or decision of the PHA;

The date the proposed action or decision will take place;

The family's right to an explanation of the basis for the PHA's decision;

The procedures for requesting a hearing if the family disputes the action or decision; and

The time limit for requesting the hearing.

The PHA must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following PHA determinations:

Determination of the family's annual or adjusted income and the computation of the housing assistance payment

Appropriate utility allowance used from schedule

Family unit size determination under PHA subsidy standards

Family breach of HQS that is a family obligation determination

Determination that family is under occupied in their current unit and a request for exception is denied

Determination to terminate assistance for any reason

Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account

Determination to terminate based on a criminal activity as shown by a criminal record

The PHA must always provide the opportunity for an Informal Hearing before termination of assistance.

Informal Hearings **are not required** for established policies and procedures and PHA determinations such as:

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 lease

A PHA determination that an assisted unit is not in compliance with HQS (PHA must provide hearing for family breach of HQS because that is a family obligation determination)

A PHA determination that the unit is not in accordance with HQS because of the family size

A PHA determination to exercise or not exercise any right or remedy against the owner under a HAP contract

## **Notification of Hearing**

It is the PHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the PHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When the PHA receives a request for an informal hearing, a hearing will be scheduled within **10 business days**. The notification of hearing will contain:

The date, time, and location of the hearing.

The family's right to bring evidence, witnesses, legal or other representation at the family's expense.

The right to view any documents or evidence in the possession of the PHA upon which the PHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.

The right to have a copy of any criminal record used in the determination

## **The PHA's Hearing Procedures**

After a hearing date is scheduled, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family will not be rescheduled unless the family can show "good cause."

Families have the right to:

Present written or oral objections to the PHA's determination;

Examine the documents in the file which are the basis for the PHA's action, and all documents submitted to the Hearing Officer;

Request copies of any relevant documents at their expense;

Present any information or witnesses pertinent to the issue of the hearing;

Request that PHA staff be available or present at the hearing to answer questions pertinent to the case; and

Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the PHA will make the copies for the family. The family has the right to have these documents prior to the informal

hearing should they request such. The PHA has the right to assess the family a per copy charge. In no case will the family be allowed to remove the file from the PHA's office.

If family/landlord is more than 15 minutes late for the scheduled appointment, the hearing will be ruled in favor of the PHA. No further hearing will be granted.

In addition to other rights contained in this Chapter, the PHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;

- Be notified if the family intends to be represented by legal counsel, advocate, or another party;

- Examine and copy any documents to be used by the family prior to the hearing;

- Have its attorney present; and

- Have staff persons and other witnesses familiar with the case present.

The Informal Hearing will be conducted by the Hearing Officer appointed by the PHA who is neither the person who made nor approved the decision, nor a subordinate of that person. The PHA Executive Director appoints a LMHA employee from a department other than HCV as the hearing officer.

The hearing will concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing, if requested by the other party. "Documents" includes records and regulations.

The hearing officer will tape the proceedings and swear in all persons testifying or submitting information at the hearing. The tape is used for assistance in preparing the final decision and would be used for further legal proceedings.

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.

The Hearing Officer will determine whether the action, inaction or decision of the PHA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the Hearing Findings will be provided in writing to the HCV Manager and the family within 15 – 20 **business** days and will include:

A clear summary of the decision and reasons for the decision;

If the decision involves money owed, the amount owed; and

The date the decision goes into effect.

The PHA is not bound by hearing decisions:

Which concern matters in which the PHA is not required to provide an opportunity for a hearing;

Which conflict with or contradict HUD regulations or requirements;

Which conflict with or contradict Federal, State or local laws; or

Which exceed the authority of the person conducting the hearing.

The PHA will send a letter to the participant if it determines the PHA is not bound by the Hearing Officer's determination within **ten business** days. The letter will include the PHA's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

#### **D. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"**

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

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 PHA hearing.

#### **INS Determination of Ineligibility**

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the PHA notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with the PHA, either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the PHA a copy of the appeal and proof of mailing or the PHA may proceed to deny or terminate. The time period to request an appeal may be extended by the PHA for good cause.

The request for a PHA hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the PHA will:

Deny the applicant family,

Defer termination if the family is a participant and qualifies for deferral, or

Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

Participants whose assistance is prorated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

## **E. MITIGATING CIRCUMSTANCES FOR APPLICANTS/ PARTICIPANTS WITH DISABILITIES**

When applicants are denied placement on the waiting list, or the PHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

*Examples of mitigating circumstances are:*

*a) A person with a cognitive disorder may not have understood the requirement to report increases in income,*

*b) A person may not understand the need to make regular repayments on a promissory note,*

*c) Minor criminal records for public drunkenness may be due to medication,*

*d) Prior incarcerations for being disorderly may be emotional disorder.*

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## Chapter 19

# SPECIAL HOUSING TYPES

## INTRODUCTION

The PHA permits the use of Manufactured Home Space in its program. Other special housing will only be permitted when requested and needed as a reasonable accommodation for persons with disabilities. The PHA will not set aside any program funding for special housing types.

The PHA has not found a demand for Single Room Occupancy, Congregate Housing, Group Home, Shared Housing or Cooperative Housing in the PHA jurisdiction.

## Verification of Need for Reasonable Accommodation

Acceptable documentation as verification of the need for reasonable accommodation would be a written letter to the PHA describing how the special housing type requested provides the accommodation of which the person is in need from one or more knowledgeable professionals [or another third party](#) who are familiar with the applicant/participant and/or the type of special housing requested. The request [will be processed in accordance with LMHA's Reasonable Accommodations Procedure Manual](#) ~~and documentation will be reviewed and a written response stating approval or disapproval will be sent to the applicant/participant within 10 days of receipt of the request.~~

A copy of the PHA's response with supporting documentation will be maintained in the applicant/participant's file. The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M - Special Housing Types.

## A. MANUFACTURED HOMES

The PHA will permit a family to lease a manufactured home and space with assistance under the program. The PHA will provide assistance for a family that owns the manufactured home and leases only the space if it meets the regulations.

The PHA may approve a live-in aide to reside with a family to care for a person with disabilities if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide must be counted when determining the family unit size.

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. In addition the manufactured home also must meet the following requirements:

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.

A manufactured 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 wind overturning and sliding.

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by the PHA. The PHA will not approve a lease until the PHA has determined that the initial rent to owner for the space is reasonable rent. The PHA will redetermine that the rent is reasonable annually.

The PHA will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. The PHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from the PHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the PHA, the owner must provide the PHA information on rents for other manufactured home space.

The Payment Standard used for a manufactured home space is established by using the % of the 2 BR FMR published by HUD. (Currently 40%)

There is a separate FMR for a family renting a manufactured home space. The payment standard is used to calculate the monthly housing assistance payment for a family. The FMR for rental of a manufactured home space is 40 percent (effective 10/1/99) of the published FMR for a two-bedroom unit.

During the term of a Voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

The payment standard minus the TTP, or the space rent paid minus the TTP.

The space rent is the sum of the following as determined by the PHA:

Rent to owner for the manufactured home space  
Owner maintenance and management charges for the space  
The utility allowance for tenant paid utilities

The PHA uses its standard utility allowance schedule for manufactured home space rental. Allowances for hook-up charges do not apply to a family that leases a manufacture home.

## **B. SINGLE ROOM OCCUPANCY**

It has not been determined that there is a demand for SROs in the PHA's jurisdiction, therefore, a single person may not reside in an SRO housing unit.

A separate lease and HAP contract for each assisted person residing in a SRO is required. The SRO payment standard is 75 percent of the zero bedroom payment standard schedule. For a person residing in an exception area, the payment standard is 75 percent of the HUD approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

The PHA must ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR.

## **C. CONGREGATE HOUSING**

A demand for Congregate Housing has not been proven in the PHA jurisdiction. An elderly person or a person with disabilities may reside in a congregate housing unit. The PHA may 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.

For congregate housing there will be a separate lease and HAP contract for each assisted family. Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on the PHA payment standard schedule. However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one-bedroom payment standard amount.

A live-in aide will be counted in determining the family unit size.

The PHA will ensure that all congregate housing units approved for the program are in compliance with all of the HQS for congregate housing as regulated in 24 CFR.

#### **D. GROUP HOMES**

A group home must be licensed, certified, or otherwise approved in writing by the State or the State's licensing department. An elderly person or a person with disabilities may reside in a State-approved group home. A live-in aide may be approved to reside with a person with disabilities as a reasonable accommodation.

The PHA will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve (12) persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide. Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities.

There will be a separate HAP Contract and lease for each assisted person living in a group home. For a group home, the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home. Reasonable rent is determined in accordance with 24 CFR. In determining reasonable rent, the PHA will consider whether sanitary facilities and facilities for food preparation and service are common facilities or private.

Unless there is a live-in aide, the family unit size is zero bedroom. If there is a live-in aide, s/he will be counted in determining the family unit size. The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size or the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

The PHA will ensure compliance with HQS as regulated in 24 CFR.

## **E. SHARED HOUSING**

A demand for Shared Housing has not been proven in the PHA jurisdiction, therefore a family may not reside in shared housing.

An assisted family may reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment. The PHA may approve a live-in aide to reside with a family in order to care for a person with a disability as a reasonable accommodation.

Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit. A resident owner may enter into a HAP contract with the PHA. However, housing assistance may not be paid on behalf of the owner. The PHA will not approve assistance for a person or family that is related by blood or marriage to a resident owner.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

For shared housing, the term “pro-rata portion” means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five-bedroom unit, the ratio would be 3/5. The rent to the owner for the family may not exceed the pro rata portion of the reasonable rent for the shared housing dwelling. The reasonable rent must be in accordance with the guidelines set in the “Owner Rents, Rent Reasonableness, and Payment Standards” chapter.

For a family that resides in a shared housing unit, the payment standard is the lower of the payment standard amount on the PHA payment standard schedule for the family unit size or the pro-rata portion of the payment standard amount on the PHA payment standard for the shared housing unit size. If the PHA approves a live-in aide, the live-in aide will be counted in determining the family unit size.

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

The PHA will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR.

## **F. COOPERATIVE HOUSING**

A demand for cooperative housing has not been proven in the PHA jurisdiction. The PHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. The PHA will not approve assistance for a family in cooperative housing until the PHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with "Owner Rents, Rent Reasonableness and Payment Standards" chapter. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperative's debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down-payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus utilities.

For a cooperative, rent adjustments are applied to the carrying charge as determined in "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to HCV limitations on rent to owner. The housing assistance payment will be determined in accordance with the guidelines in "Owner Rents, Rent Reasonableness and Payment Standards" chapter. The PHA will ensure that all cooperative housing units are in compliance with HQS regulated by 24 CFR.

The PHA may approve a live-in aide to reside with the family to care for a person with disabilities. The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by a person with disabilities. If the PHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

## **G. HOMEOWNERSHIP**

See Homeownership Addendum

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# GLOSSARY

## A. ACRONYMS USED IN SUBSIDIZED HOUSING

<b>ACC</b>	Annual Contributions Contract
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant
<b>CFR</b>	Code of Federal Regulations. Commonly referred to as “the regulations.”
<b>CPI</b>	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
<b>CR</b>	Contract Rent
<b>ELI</b>	Extremely Low Income
<b>EIV</b>	<b>Enterprise Income Verification</b>
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act - Social Security taxes
<b>FmHA</b>	Farmers Home Administration
<b>FMR</b>	Fair Market Rent
<b>FY</b>	Fiscal Year
<b>FYE</b>	Fiscal Year End
<b>GAO</b>	Government Accounting Office
<b>GFC</b>	Gross Family Contribution – Has been replaced by the term Total Tenant Payment (TTP)
<b>GR</b>	Gross Rent
<b>HAP</b>	Housing Assistance Payment
<b>ELI</b>	Extremely Low Income
<b>FDIC</b>	Federal Deposit Insurance Corporation



<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act - Social Security taxes
<b>FmHA</b>	Farmers Home Administration
<b>FMR</b>	Fair Market Rent
<b>FY</b>	Fiscal Year
<b>FYE</b>	Fiscal Year End
<b>GAO</b>	Government Accounting Office
<b>GFC</b>	Gross Family Contribution – Replaced by Total Tenant Payment (TTP)
<b>GR</b>	Gross Rent
<b>HAP</b>	Housing Assistance Payment
<b>PHA Plan</b>	Housing Assistance Plan
<b>HCDA</b>	Housing and Community Development Act
<b>HQS</b>	Housing Quality Standards
<b>HUD</b>	The Department of Housing and Urban Development or its designee.
<b>HURRA</b>	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, and rent calculations
<b>HV</b>	Housing Voucher
<b>IG</b>	Inspector General
<b>IGR</b>	Independent Group Residence
<b>IPA</b>	Independent Public Accountant
<b>IRA</b>	Individual Retirement Account
<b>MSA</b>	Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PHA</b>	Public Housing Agency

<b>PMSA</b>	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PS</b>	Payment Standard
<b>QC</b>	Quality Control
<b>RFTA</b>	Request for Tenancy Approval (previously RLA or RFLA)
<b>RFP</b>	Request for Proposals
<b>RRP</b>	Rental Rehabilitation Program
<b>SRO</b>	Single Room Occupancy
<b>TR</b>	Tenant Rent
<b>TTP</b>	Total Tenant Payment
<b>UA</b>	Utility Allowance
<b>URP</b>	Utility Reimbursement Payment

## **B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

**ABSORPTION.** In portability, 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.

**ACC RESERVE ACCOUNT (FORMERLY “PROJECT RESERVE”).** Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

**ADA.** American with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ADMINISTRATIVE FEE.** Fee paid by HUD to the PHA for administration of the program.

**ADMINISTRATIVE FEE RESERVE (Formerly “Operating reserve”).** Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

**ADMINISTRATIVE PLAN.** The HUD required written policy of the PHA governing its administration of the HCV Certificate and Voucher program. The Administrative Plan and any revisions must be approved by the PHA’s Board and a copy submitted to HUD.

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

**ANNUAL BUDGET AUTHORITY.** The maximum annual payment by HUD to a PHA for a funding increment.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

**ANNUAL INCOME.** The anticipated total Annual 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.

**ANNUAL INCOME AFTER ALLOWANCES.** The Annual Income (described above) less the HUD-approved allowances.

**APPLICANT** (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

**AREA EXCEPTION RENTS.** Rent based on HUD-approved payment standard amount that is higher than the basic range for a designated part of the fair market rent area (“exception area”).

**“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.)

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or HCV assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**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 CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

**CO-HEAD.** An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and a Co-head is never a Dependent.)

**CONGREGATE HOUSING.** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

**COOPERATIVE.** A dwelling unit owned and/or share by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

**CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT** (See 24 CFR)

**CONTIGUOUS MSA.** In portability, 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 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the certificate or voucher program.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

**DISABILITY ASSISTANCE EXPENSE.** Anticipated costs for care attendants and auxiliary apparatus for disabled family members which enable a family member (including the disabled family member) to work.

**DISABLED PERSON.** A person who is any of the following:

A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).

A person who 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 ability to live independently could be improved by more suitable housing conditions.

A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C. 6001(7)].

**DISABLED FAMILY.** A family where the head or spouse meets any of the above criteria for disabled person.

**DISPLACED PERSON/FAMILY.** A person or family 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 under federal disaster relief laws.

**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, use, or the possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act 21 U.S.C. 802).

**DRUG TRAFFICKING.** The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act 21 U.S.C. 802).

**ELDERLY HOUSEHOLD.** A family whose head or spouse or whose sole member is at least 62 years of age – may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and wellbeing.

**ELDERLY PERSON.** A person who is at least 62 years old.

**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY (Family).** A family is defined by the PHA in the administrative Plan, which is approved by HUD.

**EXCEPTIONAL MEDICAL OR OTHER EXPENSES.** Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income which is not reimbursable from any other source.

**EXTREMELY LOW INCOME FAMILY.** A family whose annual income does not exceed the greater of 30/50<sup>th</sup> (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low 50% income limits. CFR 5.603

**FAIR MARKET RENT (FMR).** The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the *Federal Register*.

~~**FAMILY.** “Family” includes but is not limited to:~~

~~—— A family with or without children (the temporary absence [90 days] of a child from the home due to placement in foster care shall not be considered in determining family composition and family size)~~

~~—— An 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~~

**A family also includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:**

- A family with or without children in which any of the household members are related by blood or marriage or adult members who provide assurance to LMHA, either by affidavit or other documentation, they consider themselves to be in a stable family relationship (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size.
- An elderly person or family
- A near-elderly person or family
- A disabled person or family
- A displaced person or family
- The remaining member of a tenant family; and
- A single person who is not elderly, disabled or displaced; (includes a pregnant woman with no children).
- One or more individuals (who have not attained the age of 18 years) being domiciled with –
  - a parent, or another person or other person having or seeking such custody, with the written permission of such parent or other person.
  - the designee of such parent or other person having or seeking such custody, with the written permission of such parent or other person.

**FAMILY OF VETERAN OR SERVICE PERSON.** A family is a “family of veteran or service person” when:

The veteran or service person (a) is either the head of household or related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FAMILY RENT TO OWNER.** In the voucher program, the portion of the rent to owner paid by the family.

**FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM).** The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

**FAMILY SHARE.** The amount calculated by subtracting the housing assistance payment from the gross rent.

**FAMILY UNIT SIZE.** The size of the Voucher issued to the family based on the PHA’s subsidy standards.

**FMR/EXCEPTION RENT LIMIT.** In the voucher program the PHA may adopt a payment standard up to the FMR/exception rent limit.

**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 carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

**FUNDING INCREMENT.** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.

**GROSS RENT.** The sum of the Rent to Owner plus the 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).

**HAP CONTRACT.** (See Housing Assistance Payments contract.)

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

**HOUSING AGENCY.** A state, country, municipality or other governmental entity or public body authorized to administer the program. The term “PHA” includes an Indian housing authority (IHA). (“PHA” and “HA” mean the same thing.)

**HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.** Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the HCV Programs.

**HOUSING ASSISTANCE PAYMENT.** The monthly assistance payment by a PHA. The total assistance payment consists of:

A payment to the owner for rent to owner under the family’s lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a “utility reimbursement” payment.

**HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP contract).** A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HOUSING QUALITY STANDARDS (HQS).** The HUD minimum quality standards for housing assisted under the tenant-based programs.

**HUD REQUIREMENTS.** HUD requirements for the HCV programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.



**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**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.

**INDIAN.** Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

**INDIAN HOUSING AUTHORITY (IHA).** A housing agency established either:

By exercise of the power of self-government of an Indian Tribe, independent of State law, or

By operation of State law providing specifically for housing authorities for Indians.

**INITIAL PHA.** In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

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.

**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

**JURISDICTION.** The area in which the PHA has authority under State and local law to administer the program.

**LANDLORD.** This term means 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.

**LARGE VERY LOW INCOME FAMILY.** Prior to the 1982 regulations, this meant a very low income family which included six or more minors. This term is no longer used.

**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. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

**LEASE ADDENDUM.** See Tenancy Addendum.

**LIVE-IN AIDE.** A person who resides with an elderly or disabled person and who:

Is determined to be essential to the care and well-being of the person

Is not obligated for the support of the person

Would not be living in the unit except to provide necessary supportive services

**LOCAL PREFERENCE.** A preference used by the PHA to select among applicant families without regard to their federal preference status. As of December 1, 2015, LMHA has eliminated all local preferences.

**LOW-INCOME FAMILY.** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. For admission to the certificate program, HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

**MANUFACTURED HOME.** A manufactured structure that is on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 to 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 24 CFR 982.622 to 982.624.**

**MARKET RENT.** The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in a FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a HCV Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those total 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 Households 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 (excluding foster children) other than the family head or spouse who is under 18 years of age.

**MIXED FAMILY.** A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3).

**MONTHLY ADJUSTED INCOME.** 1/12 of the Annual Income after Allowances or Adjusted Income.

**MONTHLY INCOME.** 1/12 of the 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.

**NEGATIVE RENT.** Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

**NET FAMILY ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

**NET FAMILY CONTRIBUTION.** Former name for Tenant Rent.

**NON-CITIZEN.** A person who is neither a citizen nor a national of the United States.

**OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards]** Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

**OWNER.** Any persons or entity having the legal right to lease or sublease housing.

**PARTICIPANT.** A family that has been admitted to the PHA's voucher 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 subsidy payment for a family (before deducting the family contribution). The PHA sets a payment standard in the range from 90 - 110 percent of the current FMR/exception rent limit.

**PERSONS WITH DISABILITIES.** Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.2.

**PHA PLAN.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 903 of this chapter.

**PORTABILITY.** Renting a dwelling unit with HCV tenant-based assistance outside the jurisdiction of the initial PHA.

**PREMISES.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**PRIVATE SPACE.** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

**PROGRAM.** The HCV tenant-based assistance program under this part.

**PROGRAM RECEIPTS.** HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

**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 authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

A consortium of housing agencies, each of which meets the qualifications of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):

Any other public or private non-profit entity that was administering a HCV tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or PHA) on October 21, 1998; or

For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

**REASONABLE RENT.** A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

**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 certificate or 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. There are annual and interim recertifications.

**REMAINING MEMBER OF TENANT FAMILY.** Person left in assisted housing after other family members have left and become unassisted.

**RENT TO OWNER.** The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

**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 ("residency preference area"). As of December 1, 2015, LMHA has eliminated off local preferences.

**RESIDENCY PREFERENCE AREA.** The specified area where families must reside to qualify for a residency preference. As of December 1, 2015, LMHA has eliminated off local preferences.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving HCV housing assistance and who is essential to these individuals' care or wellbeing. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving HCV assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

**RESPONSIBLE ENTITY.** For the public housing and HCV tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other HCV programs, the responsible entity means the HCV owner.

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT.** A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

**SERVICE PERSON.** A person in the active military or naval service (including the active reserve) of the United States.

**SINGLE PERSON.** A person living alone or intending to live alone.

**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 24 CFR 982, which 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).

**SPOUSE.** The husband or wife of the head of the household.

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the HCV Housing Assistance Payments Program pursuant to HCV of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

**SUBSIDY STANDARD.** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**SUBSTANDARD UNIT.** Substandard housing is defined by HUD for use as a federal preference.

**SUSPENSION/TOLLING.** Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a Request for Tenancy Approval to lease a unit until the time the owner decides not to enter into an initial lease with the tenant. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension.

**TENANCY ADDENDUM.** In the lease between the tenant and the owner, the lease language required by HUD.

**TENANT.** The person or persons who executes the lease as lessee of the dwelling unit (cannot be a live-in aide).

**TENANT RENT.** The amount payable monthly by the family as rent to the unit owner.

**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.

**UNUSUAL EXPENSES.** Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

**UTILITIES.** Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract 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 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 healthy living environment.

**UTILITY REIMBURSEMENT PAYMENT.** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VERY LOW INCOME FAMILY.** A Lower-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 Certificate and Voucher Programs.

**VETERAN .** Families where the Head, Spouse or Co-Head is a veteran who served in the active military or naval service of the United States, including families of deceased veterans or deceased persons who were so serving at the time of death. (See Ch. 4)

**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 HOLDER.** A family holding a voucher with an unexpired term.

**VOUCHER PROGRAM.** The Housing Choice Voucher Program (Enhanced Voucher).

**WAITING LIST.** A list of families organized according to HUD regulations and PHA policy who are waiting for subsidy 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.



## **C. GLOSSARY OF TERMS USED IN THE NON-CITIZENS RULE**

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

**CITIZEN.** A citizen or national of the United States.

**EVIDENCE.** Evidence of citizenship or eligible immigration status means the documents which must be submitted to evidence citizenship or eligible immigration status.

**HEAD OF HOUSEHOLD.** The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

**HUD.** Department of Housing and Urban Development.

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

**MIXED FAMILY.** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**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.

**NON-CITIZEN.** A person who is neither a citizen nor nation of the United States.

**PHA.** A housing authority--either a public housing agency or an Indian housing authority or both.

**RESPONSIBLE ENTITY.** The person or entity responsible for administering the restrictions on providing assistance to non-citizens with ineligible immigration status (the PHA).

**SECTION 214.** Section 214 restricts HUD from making financial assistance available for non-citizens unless they meet one of the categories of eligible immigration status specified in Section 214.

**SPOUSE.** Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.

# FRAUD/PROGRAM INTEGRITY ADDENDUM

## **INTRODUCTION:**

The U.S. Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.

## **Lorain Metropolitan Housing Authority Fraud Policy:**

Lorain Metropolitan Housing Authority (LMHA) is committed to protecting the integrity of its housing and subsidy programs and ensuring that benefits are received only by eligible families and participating owners in accordance with all applicable state and federal laws. As such, LMHA is dedicated to the strict enforcement of program requirements, and will take appropriate action in response to fraudulent activity and/or abuse of LMHA programs by participants, tenants, and/or owners.

Fraud and/or abuse refers to false statements, omissions, concealments of substantive fact, or other actions made with the intent to deceive, which results in the conferment of a benefit for which the perpetrator, absent the fraud or abuse, would not otherwise be eligible. Examples of fraud include but are not limited to the following: intentional misrepresentation of income, assets, or family composition by a tenant or participant or the collection of housing assistance payments by an owner for units not occupied by program participants.

Upon LMHA learning of an alleged fraud and/or abuse by a participant, tenant, and/or owner, the Executive Director or his designee will investigate and take appropriate action depending upon the particular circumstances involved and the nature and extent of the fraud or abuse. Such action includes, without limitation, terminating program assistance or subsidy, instituting eviction proceedings, informing the appropriate authorities of the fraud and/or program abuse and pursuing criminal charges related thereto, and/or instituting civil litigation for an award of damages suffered by LMHA as a result of the fraud or abuse. The advice of legal counsel may be sought in investigating and/or responding to an allegation of fraud or abuse.

*(Adopted by LMHA Board of Commissioners, 12/13/06, Resolution #9572)*

## **A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will the PHA undertake an inquiry or an audit of a participating family arbitrarily. The PHA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. The PHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the PHA has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to the PHA's attention, to investigate such claims.

The PHA will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

### **Referrals, Complaints, or Tips:**

The PHA will follow up on referrals received by mail, by telephone, or in person from other agencies, companies, or persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

### **Internal File Review:**

A follow-up will be made if the PHA staff discovers (as a function of a certification or recertification, an interim determination, or a quality control review) information or facts that conflict with previous file data, the PHA's knowledge of the family, or statements made by the family.

### **Verification of Documentation:**

A follow-up will be made if the PHA receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or other agencies).

## **B. STEPS THE PHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD**

The PHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

*Things You Should Know.* This program integrity bulletin (created by HUD's Inspector General) **will be furnished and explained to all applicants** to promote an understanding of program rules, and to clarify the PHA's expectations for cooperation and compliance.

**Program Orientation Session. Mandatory orientation sessions will be conducted by the PHA staff for all prospective program participants, either prior to or upon issuance of a voucher. At the end of the briefing session, each family is interviewed by LMHA staff to personalize the questions and needs of that family.**

**Resident Counseling. The PHA will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.**

**Review and Explanation of Forms. Staff will explain all required forms and review the contents of all certification and recertification documents prior to signature.**

**Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.**

**Participant Certification. All adult family members will be required to sign the appropriate forms at each decertification, along with one that reads: "I must report in writing within 7 days any changes in my household income or family composition."**

## **C. STEPS THE PHAS WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

The PHA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews. Prior to initial certification, and at the completion of all subsequent recertifications, at least 3% of the participants' files will be reviewed. Such reviews shall include, but are not limited to:

**Assurance that verification of all income and deductions is present**

**Changes in reported Social Security Numbers or dates of birth**

**Authenticity of file documents**

**Ratio between reported income and expenditures**

**Review of signatures for consistency with previously signed file documents**

**All forms are correctly dated and signed**

Observation. The PHA Management and Occupancy Staff (to include inspection personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

**Observations will be documented in the family's file and a meeting scheduled to discuss the possible abuse or fraud.**

Public Record Bulletins may be reviewed by Management and Staff.

State Wage Data Record Keepers. Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made in order to detect unreported wages or unemployment compensation benefits.

Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

**When an allegation is received by the PHA wherein unreported income sources are disclosed;**

**When a participant's expenditures exceed his/her reported income, and no plausible explanation is given.**

## **D. THE PHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

The PHA Staff will encourage all participating families to report suspected abuse to the HCV office or any other LMHA employee. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated in order to determine if they warrant follow-up. The PHA will not follow up on allegations which are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

**File Review.** An internal file review will be conducted to determine:

**If the subject of the allegation is a client of the PHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.**

**It will then be determined if the PHA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.**

**Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with the file data, and the fact(s) are independently verifiable, the PHA will initiate an investigation to determine if the allegation is true or false.

## **E. OVERPAYMENT TO OWNERS**

**If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, the PHA may terminate the Contract and arrange for restitution to the PHA and/or family as appropriate.**

**The PHA will make every effort to recover any overpayment made as a result of landlord fraud or abuse. Payment otherwise due to the owner may be debited in order to repay the PHA or the tenant, as applicable.**

## **F. HOW THE PHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If the PHA determines that an allegation or referral warrants follow-up, the PHA designated person(s) to monitor the program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. The PHA will use signed authorizations by the program participant for the release of information.

**Credit Bureau Inquiries.** In cases involving previously unreported income sources, a **CBI inquiry may be made to determine if there is financial activity that conflicts with the unreported income of the family.**

**Verification of Credit.** In cases where the financial activity conflicts with file data, a ***Verification of Credit*** form may be mailed to the creditor in order to determine the unreported income source.

**Employers and Ex-Employers.** Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

**Neighbors/Witnesses.** Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to the PHA's review.

**Other Agencies.** Investigators, case workers or representatives of other benefit agencies may be contacted.

**Public Records.** If relevant, the PHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records, and postal records.

**Interviews with Head of Household or Family Members.** The PHA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the PHA office. A high standard of courtesy and professionalism will be maintained by the PHA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

## **G. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE PHA**

Documents and other evidence obtained by the PHA during the course of an investigation will be considered "work product" and will be kept in the participant's file. Such cases under review will not be discussed among PHA staff unless they are involved in the process, or have information which may assist in the investigation.

## **H. CONCLUSION OF THE PHA'S INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, it will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

## **I. EVALUATION OF THE FINDINGS**

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

The type of violation (procedural, non-compliance, fraud)

Whether the violation was intentional or not

What amount of money, if any, is owed by the family

If the family is eligible for continued occupancy



## **J. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED**

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation.

**1. Procedural Non-compliance.** This category applies when the family "fails to" observe a procedure or requirement of the PHA, but does not misrepresent a material fact, and there is no retroactive assistance payment owed by the family.

Examples of non-compliance violations are:

Failure to appear at a pre-scheduled appointment

Failure to return verification in time period specified

Warning Notice to the Family: In such cases a notice will be sent to the family which contains the following:

A description of the non-compliance and the procedure, policy or obligation which was violated.

The date by which the violation must be corrected, or the procedure complied with.

The action which will be taken by the PHA if the procedure or obligation is not complied with by the date specified by the PHA.

The consequences of repeated (similar) violations.

**2. Procedural Non-compliance - Overpaid Assistance.** When the family owes money to the PHA for failure to report changes in income or assets, the PHA will issue a Notification of Overpayment of Assistance. This Notice will contain the following:

A description of the violation and the date(s)

Any amount owed to the PHA

A 10-day response period

The right to disagree and to request an informal hearing with instructions for the request of such hearing.

(a) Participant Fails to Comply with PHA's Notice.

If the Participant fails to comply with the PHA's notice, and a family obligation has been violated, the PHA will initiate termination of assistance.

(b) Participant Complies with PHA's Notice.

**When a family complies with the PHA's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will note the discussion in the file.**

**3. Intentional Misrepresentations.** When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the PHA, **the PHA will evaluate whether or not: the participant had knowledge that his/her actions were wrong;**

**the participant willfully violated the family obligations or the law**

Knowledge that the action or inaction was wrong. **This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certification and Personal Declaration are adequate to establish knowledge of wrong-doing.**

The participant willfully violated the law. **Any of the following circumstances will be considered adequate to demonstrate willful intent:**

**An admission by the participant of the misrepresentation**

**The act was done repeatedly**

**A false name or Social Security Number was used**

**There were admissions to others of the illegal action or omission**

**The participant omitted material facts which were known to him/her (e.g., employment of self or other household member)**

**The participant falsified, forged or altered documents**

**The participant uttered and certified to statements an interim determination which were later independently verified to be false**

**4. Dispositions of Cases Involving Misrepresentations.** In all cases of misrepresentation involving efforts to recover monies owed, the PHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

(a) Criminal Prosecution: **If the PHA has established criminal intent, and the case meets the criteria for prosecution, the PHA may:**

**Refer the case to the PHA Legal Counsel, District Attorney, and/or HUD's RIGI, and terminate rental assistance**

(b) Administrative Remedies: **The PHA may:**

**Terminate assistance and demand payment of restitution in full;**

**Terminate assistance and execute an administrative repayment agreement in accordance with the PHA's Repayment Policy;**

**Terminate assistance and pursue restitution through civil litigation;**

**Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with the PHA's repayment policy**

**5. Determining Course of Action. Prior to the final determination of the proposed action, the PHA will consider:**

**The duration of the violation and number of false statements**

**The family's ability to understand the rules**

**The family's willingness to cooperate, and to accept responsibility for his/her actions**

**The amount of money involved**

**The family's past history**

**Whether or not criminal intent has been established**

**6. Notification to Participant of Proposed Action. The PHA will notify the family by mail of the final determination and offer an Informal Hearing opportunity.**

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# Lorain Metropolitan Housing Authority Homeownership Assistance Program

## Addendum I to Housing Choice Voucher Rental Program Administrative Plan

The Lorain Metropolitan Housing Authority (LMHA) hereby establishes a Housing Choice Voucher Tenant-based Homeownership Option Program in Lorain, Ohio, pursuant to the U.S. Department of Housing and Urban Development's (HUD) final rule dated October 12, 2000, revised November 18, 2002 and by Section 8 (y) Homeownership Option of the United States Housing Act of 1937, as amended by Section 555 of the Quality Housing and Work Responsibility Act of 1998. Section 8 (y) authorizes Section 8 tenant-based assistance for an eligible family that occupies a home purchased and owned by members of the family or to receive a single grant to be used towards the down-payment required in connection to the purchase of a home.

### HOMEOWNERSHIP OPTION:

#### GENERAL [24 CFR 982.625]

(a) The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family.

(b) A family assisted under the homeownership option may be a newly admitted or existing participant in the program.

(c) *Forms of homeownership assistance.*

1. A PHA may provide one of two forms of homeownership assistance for a family:
  - (i) Monthly homeownership assistance payments; or
  - (ii) **A single down payment assistance grant (this is not available yet pending notification from HUD regarding availability of funds).**
2. Prohibition against combining forms of homeownership assistance. A family may only receive one form of homeownership assistance. Accordingly, a family that includes a person who was an adult member of a family that previously received either of the two forms of homeownership assistance may not receive the other form of homeownership assistance from any PHA.

(d) *PHA choice to offer homeownership options.*

1. The PHA may choose to offer either or both forms of homeownership assistance under this subpart, or choose not to offer either form of assistance. However, the PHA must offer either form of homeownership assistance if necessary as a reasonable accommodation for a person with disabilities in accordance with '982.601(b) (3).
2. 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 will 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.

(e) *Family choice.*

1. The family chooses whether to participate in the homeownership option if offered by the PHA.
2. If the PHA offers both forms of homeownership assistance, the family chooses which form of homeownership assistance to receive.

(f) The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and useable by persons with disabilities in accordance with part 8 of this title. (See ' 982.316 concerning occupancy by a live-in aide.)

**It is the policy of this PHA to be eligible to request a reasonable accommodation; the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:**

- o **A physical or mental impairment that substantially limits one or more of the major life activities of an individual;**
- o **A record of such impairment; or**
- o **Being regarded as having such an impairment**

(g) The PHA must have the capacity to operate a successful Housing Choice Voucher homeownership program. The PHA has the required capacity if it satisfies paragraph (d) 1, (d) 2, or (d) 3 of this section.

1. The PHA establishes a minimum homeowner down payment requirement of at least 3 percent of the purchase price for participation in the Section 8 home ownership program, and requires that at least one percent of the purchase price comes from the family=s personal resources;
2. The PHA requires that financing for purchase of a home under its Section 8 homeownership program:
  - (i) Be provided, insured, or guaranteed by the State or Federal government;
  - (ii) Comply with secondary mortgage market underwriting requirements; or
  - (iii) Comply with generally accepted private sector underwriting standards;or
3. The PHA otherwise demonstrates in its Annual Plan that it has the capacity, or will acquire the capacity, to successfully operate a Section 8 homeownership program.

(h) *Recapture of homeownership assistance.* A PHA shall not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership option.

(i) *Applicable requirements.* The following specify what regulatory provisions (under the

heading *Homeownership option*) are applicable to either or both forms of homeownership assistance (except as otherwise specifically provided):

1. *Common provisions.* The following provisions apply to both forms of homeownership assistance:
  - (i) Section 982.625 (General);
  - (ii) Section 982.626 (Initial requirements);
  - (iii) Section 982.627 (Eligibility requirements for families);
  - (iv) Section 982.628 (Eligible units);
  - (v) Section 982.629 (Additional PHA requirements for family search and purchase);
  - (vi) Section 982.630 (Homeownership counseling);
  - (vi) Section 982.631 (Home inspections, contract of sale, and PHA disapproval of seller);
  - (viii) Section 982.632 (Financing purchase of home; affordability of purchase);
  - (ix) Section 982.636 (Portability);
  - (x) Section 982.638 (Denial or termination of assistance for family); and
  - (xi) Section 982.641 (Applicability of other requirements).
2. *Monthly homeownership assistance payments.* The following provisions only apply to homeownership assistance in the form of monthly homeownership assistance payments:
  - (i) Section 982.633 (Continued assistance requirements; family obligations);
  - (ii) Section 982.634 (Maximum term of homeownership assistance);
  - (iii) Section 982.635 (Amount and distribution of monthly homeownership assistance payment);
  - (iv) Section 982.637 (Move with continued tenant-based assistance); and
  - (v) Section 982.639 (Administrative fees).
3. *Down payment assistance grant.* The following provision only applies to homeownership assistance in the form of a down payment assistance grant: (Down payment assistance grants).

## **INITIAL REQUIREMENTS** [24 CFR 982.626]

(a) *List of initial requirements.* Before commencing homeownership assistance for a family, the PHA must determine that all of the following initial requirements have been satisfied:

1. The family is qualified to receive homeownership assistance (see '982.627);
2. The unit is eligible (see '982.628); and
3. The family has satisfactorily completed the PHA program of required pre-assistance homeownership counseling (see '982.630).

(b) *Additional PHA requirements.* Unless otherwise provided in this part, 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.

**It is the policy of this PHA to offer the homeownership assistance option on a first come first served basis. This HA reserves the option to limit the number of participants on the homeownership assistance option as it sees fit.**

**Applicants for the homeownership program are not required to participate in this PHA's Family Self-Sufficiency Program (FSS). However, in the event the HA exercises the option to limit the number of participants for the homeownership assistance option, FSS participants and graduates who successfully complete the program and continue to be eligible for the Housing Choice Voucher Rental Program will be given preference.**

**In order to be eligible for assistance under the homeownership option, the family must have personal resources totaling \$2,500.00 and be able to provide documentation of such. HCV FSS escrow funds or gifts are acceptable as personal resources.**

**The participant will also be advised to set aside a maintenance and major repair and replacement amount of at least \$25.00 each per month and that amount will be included in the participants' homeownership expenses.**

**The participant must have been on LMHA's Housing Choice Voucher rental assistance for no less than one year and have completed an initial lease term (the Family termination of the lease must be in accordance with the terms of the lease) and have a current lease in good standing; or meet the definition of a Displaced Person as stated in the HCV Administrative Policy (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.).**

**The participant must agree to participate in the required Homeownership Counseling.**

**Participants in the Housing Choice Voucher Rental Program shall be ineligible for participation in the Housing Choice Voucher Homeownership program in the event any debt or portion of a debt remains owed to Lorain Metropolitan Housing Authority or any other Housing Authority. Nothing in this provision will preclude Housing Choice Voucher participants that have fully repaid such debt(s) from participating in the Housing Choice Voucher Homeownership program.**

(c) *Environmental requirements.* The PHA is responsible for complying with the authorities listed in '58.6 of this title requiring the purchaser to obtain and maintain flood insurance for units in special flood hazard areas, prohibiting assistance for acquiring units in the coastal barriers resource system, and requiring notification to the purchaser of units in airport runway clear zones and airfield clear zones. In the case of units not yet under construction at the time the family enters into the contract for sale, the additional environmental review requirements referenced in §982.628(e) of this part also apply, and the PHA shall submit all relevant environmental information to the responsible entity or to HUD to assist in completion of those requirements.



## **ELIGIBILITY REQUIREMENTS FOR FAMILIES** [24 CFR 982.627]

(a) *Determination whether family is qualified.* The PHA may not provide homeownership assistance for a family unless the PHA determines that the family satisfies all the following initial requirements at commencement of homeownership assistance for the family:

1. The family has been admitted to the Housing Choice Voucher Rental program in accordance with subpart E of this part.
2. The family satisfies any first-time homeowner requirements (described in paragraph (b) of this section).
3. The family satisfies the minimum income requirement (described in paragraph (c) of this section).
4. The family satisfies the employment requirements (described in paragraph (d) of this section).
5. The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option (see paragraph (e) of this section).
6. 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.
7. 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 '982.631(c).
8. The family also satisfies any other initial requirements established by the PHA (see '982.626(b)). Any such additional requirements must be described in the PHA administrative plan.

(b) *First-time homeowner requirements.* At commencement of homeownership assistance for the family, the family must be any of the following:

1. A first-time homeowner (defined at '982.4);
2. A cooperative member (defined at '982.4); or
3. A family of which a family member is a person with disabilities, and use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such person, in accordance with part 8 of this title.

(c) *Minimum income requirements.*

1. At commencement of monthly homeownership assistance payments for the family, or at the time of a down payment assistance grant for the family, the family must demonstrate that the annual income, as determined by the PHA in accordance with '5.609 of this title, of the adult family members who will own the home at commencement of homeownership assistance is not less than:
  - (i) In case of a disabled family (as defined in '5.403(b) of this title), the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone (or paying his or her share of food and

housing costs);

or

(II) In the case of other families, the Federal minimum wage multiplied by 2,000 hours.

2. The PHA shall not count any welfare assistance received by the family in determining annual income under this section.

**H.U.D. 24 CFR 5.603 Definitions: *Welfare assistance.* Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.**

**It is the understanding of this PHA that the above HUD definition describes assistance as cash assistance from sources such as Temporary Assistance for Needy Families (TANF) as defined in the regulations issued by the Department of Health and Human Services [45 CFR 260.31].**

(i) Except in the case of an elderly family or a disabled family (see the definitions of these terms at ' 5.403(b) of this title).

(ii) The disregard of welfare assistance income under paragraph (c)(2)(i) of

this section only affects the determination of minimum annual income used

to determine if a family initially qualifies for commencement of homeownership assistance in accordance with this section, but does not affect:

A. The determination of income-eligibility for admission to the voucher program:

B. Calculation of the amount of the family=s total tenant payment (gross family contribution); or

C. Calculation of the amount of homeownership assistance payments on behalf of the family.

(iii) In the case of an elderly or disabled family, the PHA shall include welfare

assistance for the adult family members who will own the home in determining if the family meets the minimum income requirement.

3. A PHA may establish a minimum income standard that is higher than those described in paragraph (c) (1) of this section for either or both types of families. However, a family that meets the applicable HUD minimum income requirement described in paragraph (c)(1) of this section, but not the higher standard established by the PHA shall be considered to satisfy the minimum income requirement if:

(i) The family demonstrates that it has been pre-qualified or pre-approved for financing;

(ii) The pre-qualified or pre-approved financing meets any PHA established

requirements under '982.632 for financing the purchase of the home

(including qualifications of lenders and terms of financing); and  
(iii) The pre-qualified or pre-approved financing amount is sufficient to purchase housing that meets HQS in the PHA=s jurisdiction.

(d) *Employment requirements.*

1. Except as provided in paragraph (d) (2) of this section, the family must demonstrate that one or more adult members of the family who will own the home at commencement of home ownership assistance:
  - (i) 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
  - (ii) Has been continuously so employed during the year before commencement of home ownership assistance for the family.
2. The PHA shall have discretion to determine whether and to what extent interruption are considered to break continuity of employment during the year. The PHA may count successive employment during the year. The PHA may count self-employment in a business.

**It is the policy of this PHA in order to be eligible for assistance under the homeownership assistance option, the family must be employed on a full-time basis (not less than an average of 30 hours per week) earning no less than the Federal minimum hourly wage multiplied by 2,080 hours for 12 consecutive months prior to commencement of homeownership assistance for the family. The only exceptions are as follows:**

- o **Interruption in employment as a result of a company lay-off from which the family member was or will be recalled to work; or**
  - o **Employment terminated due to a work force reduction or company closing and the family member had to locate another job; or**
  - o **Temporary medical leave for the head of household or employed family member for self or dependent child (not to exceed 12 weeks duration). Any exception to this must be approved prior to commencement of homeownership assistance.**
  - o **Interruptions in employment for any other reason must not exceed 12 weeks UNLESS the participant is returning to school on a full-time basis working towards a college degree. This will be reviewed on a case by case basis.**
3. The employment requirement does not apply to an elderly family or a disabled family (see the definitions of these terms at '5.403(b) of this title). Furthermore, if a family, other than an elderly family or a disabled family, includes a person with disabilities, the PHA shall grant an exemption from the employment requirement if the PHA determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by the persons with disabilities in accordance with part 8 of this title.
4. A PHA may not establish an employment requirement in addition to the employment standard established by this paragraph.

(e) *Prohibition against assistance to family that has defaulted.* The PHA shall not

commence homeownership assistance for a family that includes an individual who was an adult member of a family at the time when such family received homeownership assistance and defaulted on a mortgage securing debt incurred to purchase the home

**ELIGIBLE UNITS.** [24 CFR 982.628]

(a) *Initial requirements applicable to the unit.* The PHA must determine that the unit satisfies all of the following requirements:

1. The unit is eligible. (See '982.352. Paragraphs (a) (6), (a) (7) and (b) of '982.352 do not apply)
2. The unit is either a one-unit property (including a manufactured home) or a single dwelling unit in a cooperative or condominium.
3. The unit has been inspected by a PHA inspector and by an independent inspector designated by the family (see '982.631).
4. The unit satisfies the HQS (see '982.401 and '982.631).

(b) *Purchase of home where family will not own fee title to the real property.* Homeownership assistance may be provided for the purchase of a home where the family will not own fee title to the real property on which the home is located, but only if:

1. The home is located on a permanent foundation; and
2. The family has the right to occupy the home site for at least forty years.

(c) *PHA-owned units.*

Homeownership assistance may be provided for the purchase of 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), only if all of the following conditions are satisfied:

1. The PHA must inform 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.
2. The unit is not ineligible housing;
3. The PHA must obtain the services of an independent agency, in accordance with §982.352(b)(1)(iv)(B) and (C), to perform the following PHA functions:
  - (i) Inspection of the unit for compliance with the HQS, in accordance with §982.631(a);
  - (ii) Review of the independent inspection report, in accordance with §982.631(b)(4);
  - (iii) Review of the contract of sale, in accordance with §982.631(c); and
  - (iv) Determination of the reasonableness of the sales price and any PHA provided financing, in accordance with §982.632 and other supplementary guidance established by HUD.

(d) *PHA disapproval of seller.* The PHA may not commence homeownership assistance for occupancy of a home if the PHA has been informed (by HUD or otherwise) that the seller of the home is debarred, suspended, or subject to a limited denial of participation under part 24 of this title.

(e) *Units not yet under construction.* Families may enter into contracts of sale for units

not yet under construction at the time the family enters into the contract for sale. However, the PHA shall not commence homeownership assistance for the family for that unit unless and until:

- (1) Either:
  - (i) The responsible entity completed the environmental review procedures required by 24 CFR part 58 and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or
  - (ii) HUD performed an environmental review under 24CFR part 50 and notified the PHA in writing of environmental approval of the site prior to commencement of construction;
- (2) Construction of the unit has been completed; and
- (3) The unit has passed the required Housing Quality Standards (HQS) inspection (see §982.631(a) and independent inspection (see §982.631(b)).

**ADDITIONAL PHA REQUIREMENTS FOR FAMILY SEARCH AND PURCHASE.** [24 CFR 982.629]

(a) The PHA may establish the maximum time for a family to locate a home, and to purchase the home.

**It is the policy of this PHA to give an initial 180 days for a family to locate a home. With documentation of their search, two additional extensions in 30 day increments can be granted totaling a maximum of 240 days on the homeownership voucher. Any additional extensions would be at the sole discretion of this PHA. After the family has submitted a purchase agreement, this PHA will allow 90 days for closing on a home mortgage. With documentation, an additional 30 day extension will be granted for extenuating circumstances totaling a maximum of 120 days to close on a home mortgage. During a Housing Choice Voucher participant's search for a home to purchase, their Housing Choice Voucher rental assistance shall continue pursuant to this Administrative Plan. If a Housing Choice Voucher participant family is unable to locate a home within the time approved by this PHA, their Housing Choice Voucher rental assistance through the Housing Choice Voucher Rental Program shall continue. If a family is unable to locate a unit on the Homeownership Program their Voucher reverts back to the Housing Choice Voucher Rental Assistance Program. They will be given a second and final opportunity to be a participant on the Homeownership Program, but they can not re-apply until after they have completed another initial lease term (12 months) on the rental assistance program. The Family termination of the lease must be in accordance with the terms of the lease.**

(b) The PHA may require periodic family reports on the family's progress in finding and purchasing a home.

**It is the policy of this PHA to require documentation of the family's search for a home when the family is requesting an extension on their homeownership voucher after the initial 120 days have elapsed. Documentation will be required for each extension requested by the family.**

(c) 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.

**It is the policy of this PHA to continue the family's Housing Choice Voucher rental assistance during their search for a suitable unit to purchase. If the family is unable to find a suitable unit in the maximum time established by this PHA, this PHA will allow the family to continue to receive assistance at its current residence or this PHA will issue the family a Housing Choice Rental Voucher to locate another unit.**

**The family may not re-apply for the Housing Choice Voucher homeownership program until they have completed at least one (1) additional year (twelve (12) months) of participation in the Housing Choice Rental Voucher Program and have completed an initial lease term. Termination of the lease must be in accordance with the terms of the lease.**

**HOMEOWNERSHIP COUNSELING.** [24 CFR 982.630]

(a) 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 (pre-assistance counseling).

(b) Suggested topics for the PHA-required pre-assistance counseling program include:

1. Home maintenance (including care of the grounds);
2. Budgeting and money management;
3. Credit counseling;
4. How to negotiate the purchase price of a home;
5. How to obtain home ownership 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;
6. How to find a home, including information about home ownership opportunities, schools, and transportation in the PHA jurisdiction;
7. 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;
8. Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
9. 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.

(c) The PHA may adapt the subjects covered in pre-assistance counseling (as listed in paragraph (b) of this section) to local circumstances and the needs of individual families.

**It is the policy of this PHA in order to be eligible for assistance under the homeownership option, the family must enroll in and successfully complete the pre and post-purchase homeownership counseling program and be deemed to be mortgage ready before a homeownership voucher will be issued. At a minimum, the counseling will cover the following:**

- o Home maintenance (including care of the grounds).
- o Budget and money management

- o Credit counseling
- o How to negotiate the purchase price of a home
- o Mortgage financing options and types
- o How to find a home
- o De-concentration issues
- o Information on fair housing issues
- o Information on Real Estate Settlement Procedures Act, truth-in-lending laws, and, how to identify and avoid loans with oppressive terms and conditions

(d) 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.

**It is the policy of this PHA to, at the discretion of this PHA, requires the family to participate in ongoing home ownership counseling.**

(e) If the PHA is not using a HUD-approved housing counseling agency to provide the counseling for families participating in the homeownership option, the PHA should ensure that its counseling program is consistent with the homeownership counseling provided under HUD=s Housing Counseling program.

**HOMEOWNERSHIP OPTION: HOME INSPECTIONS, CONTRACT OF SALE AND PHA DISAPPROVAL OF SELLER.** [24 CFR 982.631]

(a) *HQS inspection by PHA.* The PHA may not commence monthly homeownership assistance payments or provide a down payment assistance grant for the family until the PHA has inspected the unit and has determined that the unit passed HQS.

(b) *Independent inspection.*

1. The unit must also be inspected by an independent professional inspector selected by and paid by the family.
2. 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.
3. 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.

**It is the policy of this PHA to require an independent inspector be certified and provide such certification showing his/her qualifications. The LMHA reserves the right to deny the use of any independent inspector who is not certified or who refuses to provide documentation of such. Inspections are approved on a case by case basis.**

4. The independent inspector must provide a copy of the inspection report both to the family and to the PHA. The PHA may not commence monthly homeownership assistance payments, or provide a down

payment assistance grant for the family, until the PHA has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with the HQS (and may qualify for assistance under the PHA's tenant-based rental voucher program), the PHA shall have discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

(c) *Contract of sale.*

1. Before commencement of monthly homeownership assistance payments or receipt of a down payment assistance grant, 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 (see also '982.627 (a) (7)).

2. The Contract of sale must:

(i) Specify the price and other terms of sale by the seller to the purchaser.

(ii) Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.

(iii) Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.

(iv) Provide that the purchaser is not obligated to pay for any necessary repairs.

(v) Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under part 24 of this title.

3. In addition to the requirements contained in paragraph (c)(2) of this section, a contract for the sale of the units not yet under construction at the time the family is to enter into the contract for sale must also provide that:

(i) The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site has received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628.

(ii) The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Conduct of the environmental review may not necessarily result in environmental approval, and environmental approval may be conditioned on the contracting parties' agreement to modifications to the unit design or to mitigation actions.

(iii) Commencement of construction in violation of paragraph (c)(3)(ii) of this section voids the purchase contract and renders homeownership assistance under 24 CFR part 982 unavailable for purchase of the unit.

(d) *PHA disapproval of seller.* In its administrative discretion, the PHA may deny



approval of a seller for any reason provided for disapproval of an owner in ' 982.306(c).

**FINANCING PURCHASE OF HOME; AFFORDABILITY OF PURCHASE.** [24 CFR 982.632]

(a) The PHA may establish requirements for financing the purchase of a home to be assisted under the homeownership option. Such PHA requirements may include requirements concerning qualification of lenders (for example, prohibition of seller financing or case-by-case approval of seller financing), or concerning terms of financing (for example, a prohibition of balloon payment mortgages, or establishment of a minimum homeowner equity requirement from personal resources).

**It is the policy of this PHA to:**

- o **approve balloon payment mortgages on a case by case basis;**
- o **review Seller financing on a case by case basis prior to approval;**
- o **require that the minimum down payment is three percent of the purchase price and that at least one percent of the purchase price come from the family's personal resources;**
- o **approve the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and**
- o **require the family to enter into a written agreement with the Lorain MHA to comply with all of its obligations under the Section 8 program.**

**There is no prohibition against using local or State Community Development Block Grant (home ownership CDBG) or other subsidized financing in conjunction with the homeownership program.**

(b) If the purchase of the home is financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements.

(c) The PHA may establish requirements or other restrictions concerning debt secured by the home.

**It is the policy of this HA that no other debt, secured by the home, is allowed without prior approval of Lorain MHA.**

(d) The PHA may review lender qualifications and the loan terms before authorizing homeownership assistance. The PHA may disapprove proposed financing, refinancing or other debt if the PHA determines that the debt is unaffordable, or if the PHA determines that the lender or the loan terms do not meet PHA qualifications. In making this determination, the PHA may take into account other family expenses, such as child care, un-reimbursed medical expenses, home ownership expenses, and other family expenses as determined by the PHA.

(e) All PHA financing or affordability requirements must be described in the PHA administrative plan.

**It is the policy of this HA to adopt the affordability criteria of approved mortgage lending institutions with respect to debt to income ratios allowing for any special programs that may be available through said lending institutions for which the participant might qualify.**

**Any participant that has excessive debt ratios or derogatory credit will be provided an opportunity to correct those deficiencies. Once the deficiencies have been corrected, they will become eligible to participate in the homeownership program subject to all initial requirements set forth herein.**

**CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS.** [24 CFR 982.633]

(a) *Occupancy of home.* 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.

(b) *Family obligations.* The family must comply with the following obligations.

1. *Ongoing counseling.* To the extent required by the PHA, the family must attend and complete ongoing home ownership and housing counseling.

**It is the policy of this PHA to, at the discretion of this PHA, require the family to participate in ongoing counseling.**

2. *Compliance with mortgage.* The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).
3. *Prohibition against conveyance or transfer of home.*
  - (i) So long as the family is receiving homeownership assistance, use and occupancy of the home is subject to '982.551(h) and (i).
  - (ii) The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.
  - (iii) Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with '982.551(h).
4. *Supplying required information.*
  - (i) The family must supply required information to the PHA in accordance with '982.551(b).

**It is the policy of this HA that families will be required to report all increases in income/asset of all household members to the HA in writing within 14 business days.**

The HA will review and certify the reported information. The interim review criteria required for the HCVHO Program is the same as the HCV Rental Program. An interim will be done if all criteria are met.

It is the policy of this HA to include the following regulations on repayment of any monies owed due to failure of family obligations in reporting changes in income resulting in an overpayment of Homeownership Program assistance:

Federal Regulations '982.552; '982.552(b)(6-8); '982.163; and corresponding LMHA Administrative Policy (Chapter 18 A, C, D, E).

- (ii) In addition to other required information, the family must supply any information as required by the PHA or HUD concerning:
  - D. Any mortgage or other debt incurred to purchase the home, and any refinancing of such debt (including information needed to determine whether the family has defaulted on the debt, and the nature of any such default), and information on any satisfaction or payment of the mortgage debt:
  - E. Any sale or other transfer of any interest in the home; or
  - F. The family's home ownership expenses.
- 5. *Notice of move-out.* The family must notify the PHA before the family moves out of the home.
- 6. *Notice of mortgage default.* The family must notify the PHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
- 7. *Prohibition on ownership interest on second residence.* During the time the family receives homeownership assistance under this subpart, no family member may have any ownership interest in any other residential property.
- 8. *Additional PHA requirements.* The PHA may establish additional requirements for continuation of homeownership assistance for the family (for example, a requirement for post-purchase home ownership counseling or for periodic unit inspections while the family is receiving homeownership assistance). The family must comply with any such requirements.

LMHA may conduct annual walk thru inspections on the unit. These inspections will coincide with the required annual recertification process.

LMHA also reserves the right to do drive by inspections. These inspections will not interrupt the participant in any way. LMHA will simply drive by the unit on occasion and view the unit from the outside. LMHA will not attempt to enter the unit on these occasions. If LMHA sees a reason for further investigation of the premises, a notice of inspection will be sent directly to the participant with a specific appointment date and time.

If, at any of these inspections, the unit obviously requires repairs, the PHA can require the family to do such repairs in a timely manner and can exercise the PHA's discretion in requiring the family to attend and complete ongoing home ownership counseling.

9. *Other family obligations.* The family must comply with the obligations of a participant family described in '982.511. However, the following provisions do not apply to assistance under the homeownership option: '982.551(c), (d), (e), (f), (g) and (j).

(c) *Statement of homeowner obligations.* Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD. In the statement, the family agrees to comply with all family obligations under the homeownership option.

**MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE.** [24 CFR 982.634]

(a) *Maximum term of assistance.* Except in the case of a family that qualifies as an elderly or disabled family (see paragraph (c) of this section), the family members described in paragraph (b) of this section shall not receive homeownership assistance for more than:

1. Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
2. Ten years, in all other cases.

(b) *Applicability of maximum term.* The maximum term described in paragraph (a) of this section applies to any member of the family who:

1. Has an ownership interest in the unit during the time that homeownership payments are made; or
2. Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

(c) *Exception for elderly and disabled families.*

1. As noted in paragraph (a) of this section, the maximum term of assistance does not apply to elderly and disabled families.
2. 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.
3. 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 in accordance with this part).

(d) *Assistance for different homes or PHAs.* 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 paragraph (a) of this section.

**AMOUNT AND DISTRIBUTION OF MONTHLY HOMEOWNERSHIP ASSISTANCE PAYMENT.** [24 CFR 982.635]

(a) *Amount of monthly homeownership assistance payment.* While the family is residing in the home, the PHA shall pay a monthly homeownership assistance payment on behalf of the family that is equal to the *lower of*:

1. The payment standard minus the total tenant payment; or
2. The family=s monthly home ownership expenses minus the total tenant payment.

(b) *Payment standard for family.*

1. The payment standard for a family is the lower of:
  - (i) The payment standard for the family unit size; or
  - (ii) The payment standard for the size of the home.
2. If the home is located in an exception payment standard area, the PHA must use the appropriate payment standard for the exception payment standard area.
3. The payment standard for a family is the greater of:
  - (i) The payment standard (as determined in accordance with paragraphs (b)(1) and (b)(2) of this section) at the commencement of homeownership assistance for occupancy of the home; or
  - (ii) The payment standard (as determined in accordance with paragraphs (b)(1) and (b)(2) of this section) at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.
4. The PHA must use the same payment standard schedule, payment standard amounts, and subsidy standards pursuant to '982.402 and '982.503 for the homeownership option as for the rental voucher program.

(c) *Determination of home ownership expenses.*

1. The PHA shall adopt policies for determining the amount of homeownership expenses to be allowed by the PHA in accordance with HUD requirements.

**It is the policy of this HA to adopt the affordability criteria of approved mortgage lending institutions with respect to debt to income ratios allowing for any special programs that may be available through said lending institutions for which the participant might qualify.**

**Any participant that has excessive debt ratios or derogatory credit will be provided an opportunity to correct those deficiencies. They will then become eligible to participate in the homeownership program subject to all initial requirements set forth herein.**

2. Home ownership expenses for a homeowner (other than a cooperative member) may only include amounts allowed by the PHA to cover:
  - (i) Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
  - (ii) Real estate taxes and public assessments on the home;
  - (iii) Home insurance;
  - (iv) The PHA allowance for maintenance expenses;
  - (v) The PHA allowance for costs of major repairs and replacements;
  - (vi) The PHA utility allowance for the home;
  - (vii) 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 home ownership expenses is needed as a reasonable accommodation so that the home ownership option is readily accessible to and usable by such person, in accordance with part 8 of this title; and;
  - (viii) Land lease payments (where a family does not own fee title to the real property on which the home is located; see '982.628(b)).
  
3. Home ownership expenses for a cooperative member may only include amounts allowed by the PHA to cover:
  - (i) The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
  - (ii) Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
  - (iii) Home insurance;
  - (iv) The PHA allowance for maintenance expenses;
  - (v) The PHA allowance for costs of major repairs and replacements;
  - (vi) The PHA utility allowance for the home; and
  - (viii) 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 home ownership expenses is needed as a reasonable accommodation so that the homeownership option is readily

accessible to and usable by such person, in accordance with part 8 of this title.

4. If the home is a cooperative or condominium unit, home ownership expenses may also include cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.

(d) *Payment to lender or family.* The PHA must pay homeownership assistance payments either:

1. Directly to the family or;
2. At the discretion of the PHA, 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.

**It is the policy of this HA to provide the lender with a notice of the amount of the housing assistance payment prior to the close of the loan. LMHA's contribution towards the family's homeowner expense will be paid directly to a debit account set up for the purpose of the payment of the mortgage. Other terms required by the lender will be considered.**

(e) *Automatic termination of home ownership assistance.* Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA has the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

#### **PORTABILITY.** [24 CFR 982.636]

(a) *General.* A family may qualify to move outside the initial PHA jurisdiction with continued homeownership assistance under the voucher program in accordance with this section.

(b) *Portability of homeownership assistance.* Subject to '982.353(b) and (c), '982.552 and '982.553, a family determined eligible for homeownership assistance by the initial PHA may purchase a unit outside of the initial PHA's jurisdiction, if the receiving PHA is administering a voucher homeownership program and is accepting new home ownership families.

(c) *Applicability of Housing Choice Voucher program portability procedures.* In general, the portability procedures described in '982.353 and procedures described in '982.355 apply to the homeownership option and the administrative responsibilities of the initial and receiving PHA are not altered except that some administrative functions (e.g. issuance of a voucher or execution of a tenancy addendum) do not apply to the homeownership option.

(d) *Family and PHA responsibilities.* 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.

(e) *Continued assistance under ' 982.637.* Such continued assistance under portability procedures is subject to ' 982.637.

**MOVE WITH CONTINUED TENANT-BASED ASSISTANCE.** [24 CFR 982.637]

(a) *Move to a new unit.*

1. A family receiving homeownership assistance may move to a new unit with continued tenant-based assistance in accordance with this section. The family may move either with voucher rental assistance (in accordance with rental assistance program requirements) or with voucher homeownership assistance (in accordance with homeownership option program requirements).
2. The PHA may not commence continued tenant-based assistance for occupancy of the new unit so long as any family member owns any title or other interest in the prior home.
3. The PHA may establish policies that prohibit more than one move by the family during any one year period.

**It is the policy of this PHA to prohibit the participant from moving within the first year (12 months) after closing on a mortgage.**

(b) *Requirements for continuation of homeownership assistance.* The PHA must determine that all initial requirements listed in ' 982.626 (including the environmental requirements with respect to a unit not yet under construction) have been satisfied if a family that has received homeownership assistance wants to move to such a unit with continued homeownership assistance. However, the following requirements do not apply:

1. The requirement for pre-assistance counseling (' 982.630) is not applicable. However, the PHA may require that the family complete additional counseling (before or after moving to a new unit with continued assistance under the homeownership option).
2. The requirement that a family must be a first-time homeowner (' 982.627) is not applicable.

(c) *When PHA may deny permission to move with continued assistance.* The PHA may deny permission to move to a new unit with continued voucher assistance as follows:

1. *Lack of funding to provide continued assistance.* The PHA may deny permission to move with continued rental or home ownership assistance if the PHA determines that it does not have sufficient funding to provide continued assistance.
2. *Termination or denial of assistance under ' 982.638.* At any time, the PHA may deny permission to move with continued rental or homeownership assistance in accordance with ' 982.638.



**DENIAL OR TERMINATION OF ASSISTANCE FOR FAMILY.** [24 CFR 982.638]

(a) *General.* The PHA shall terminate homeownership assistance for the family, and shall deny voucher rental assistance for the family, in accordance with this section.

(b) *Denial or termination of assistance under basic voucher program.* At any time, the PHA may deny or terminate homeownership assistance in accordance with '982.552 (Grounds for denial or termination of assistance) or '982.553 (Crime by family members).

(c) *Failure to comply with family obligations.* The PHA may deny or terminate assistance for violation of participant obligations described in '982.551 or '982.633.

(d) *Mortgage default.* 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. The PHA, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance. However, the PHA must deny such permission, if:

1. The family defaulted on an FHA-insured mortgage; and
2. The family fails to demonstrate that:
  - (i) The family has conveyed title to the home, as required by HUD, to HUD or HUD's designee; and
  - (ii) The family has moved from the home within the period established or approved by HUD.

**ADMINISTRATIVE FEES.** [24 CFR 982.639]

The ongoing administrative fee described in '982.152(b) is paid to the PHA for each month that homeownership assistance is paid by the PHA on behalf of the family.

**RECAPTURE OF HOMEOWNERSHIP ASSISTANCE.** [24 CFR 982.640][REMOVED]

**HOMEOWNERSHIP OPTION: APPLICABILITY OF OTHER REQUIREMENTS.** [24 CFR 982.641]

(a) *General.* The following types of provisions (located in other subpart of this part) do not apply to assistance under the home ownership option:

1. Any provisions concerning the Section 8 owner or the HAP contract between the PHA and owner;
2. Any provisions concerning the assisted tenancy or the lease between the family and the owner;
3. Any provisions concerning PHA approval of the assisted tenancy;
4. Any provisions concerning rent to owner or reasonable rent; and
5. Any provisions concerning the issuance or term of voucher.

(b) *Subpart G requirements.* The following provisions of subpart G of this part do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.302 (Issuance of voucher; Requesting PHA approval of assisted tenancy);

2. Section 24 CFR 982.303 (Term of voucher);
3. Section 24 CFR 982.305 (PHA approval of assisted tenancy);
4. Section 24 CFR 982.306 (PHA disapproval of owner)(except that a PHA may disapprove a seller for any reason described in paragraph (c), see '982.631(d).
5. Section 24 CFR 982.306 (Tenant screening);
6. Section 24 CFR 982.306 (Lease and tenancy);
7. Section 24 CFR 982.309 (Term of assisted tenancy);
8. Section 24 CFR 982.310 (Owner termination of tenancy);
9. Section 24 CFR 982.311 (When assistance is paid)(except that 24 CFR 982.311 (c)(3) is applicable to assistance under the home ownership option);
10. Section 24 CFR 982.313 (Security deposit: Amounts owed by tenant); and
11. Section 24 CFR 982.314 (Move with continued tenant-based assistance).

(c) *Subpart H requirements.* The following provisions of subpart H of this part do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.352(a)(6) (Prohibition of owner-occupied assisted unit);
2. Section 24 CFR 982.352(b) (PHA-owned housing); and
3. Those provisions of '982.353(b)(1), (2), and (3) (Where family can lease a unit with tenant-based assistance) and '982.355 (Portability: Administration by receiving PHA) that are inapplicable per '982.636;

(d) *Subpart I requirements.* The following provisions of subpart I of this part do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.403 (Terminating HAP contract when unit is too small);
2. Section 24 CFR 982.404 (Maintenance: Owner and family responsibility; PHA remedies); and
3. Section 24 CFR 982.405 (PHA initial and periodic unit inspection).

(e) *Subpart J requirements.* The requirements of subpart J of this part (Housing Assistance Payments Contract and Owner Responsibility) ('982.451-456) do not apply to assistance under the home ownership option.

(f) *Subpart K requirements.* Except for those sections listed below, the requirements of subpart K of this part (Rent and Housing Assistance Payment) ('982.501-521) do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.503 (Voucher tenancy: Payment standard amount and schedule);
2. Section 24 CFR 982.503 (Family income and composition: Regular and interim reexaminations); and
3. Section 24 CFR 982.517 (Utility allowance schedule).

(g) *Subpart L requirements.* The following provisions of subpart L of this part do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.551(c) (HQS breach caused by family);
2. Section 24 CFR 982.551(d) (Allowing PHA inspection);
3. Section 24 CFR 982.551(e) (Violation of lease);
4. Section 24 CFR 982.551(g) (Owner eviction notice); and
5. Section 24 CFR 982.551(j) (Interest in unit).

(h) *Subpart M requirements.* The following provisions of subpart M of this part do not apply to assistance under the home ownership option:

1. Section 24 CFR 982.602-619; and
2. Section 24 CFR 982.622-624

**HOMEOWNERSHIP OPTION: PILOT PROGRAM FOR HOMEOWNERSHIP ASSISTANCE FOR DISABLED FAMILIES.** [24 CFR 982.642]

(a) *General.* This section implements the pilot program authorized by section 302 of the American Homeownership and Economic Opportunity Act of 2000. Under the pilot program, a PHA may provide homeownership assistance to a disabled family residing in a home purchased and owned by one or more members of the family. A PHA that administers tenant-based assistance has the choice whether to offer homeownership assistance under the pilot program (whether or not the PHA has also decided to offer the homeownership option).

(b) *Applicability of homeownership option requirements.* Except as provided in this section, all of the regulations applicable to the homeownership option (as described in ' 982.625 through 982.641) are also applicable to the pilot program.

(c) *Initial eligibility requirements.* Before commencing homeownership assistance under the pilot program for a family, the PHA must determine that all of the following initial requirements have been satisfied:

1. The family is a disabled family (as defined in ' 5.403 of this title);
2. The family annual income does not exceed 99 percent of the median income for the area;
3. The family is not a current homeowner;
4. The family must close on the purchase of the home during the period starting on July 23, 2001 and ending on July 28, 2004; and
5. The family meets the initial requirements described in ' 982.626; however, the following initial requirements do not apply to a family seeking to participate in the pilot program:
  - (i) The income eligibility requirements of ' 982.201(b)(1);
  - (ii) The first-time homeowner requirements of ' 982.627(b); and
  - (iii) The mortgage default requirements of ' 982.627(e), if the PHA determines that the default is due to catastrophic medical reasons or due to the impact of a federally declared major disaster or emergency.

(d) *Amount and distribution of homeownership assistance payments.*

1. While the family is residing in the home, the PHA shall calculate a monthly homeownership assistance payment on behalf of the family in accordance with ' 982.635 and this section.
2. A family that is a low income family (as defined at 24CFR5.603(b)) as determined by HUD shall receive the full amount of the monthly homeownership assistance payment calculated under ' 982.635.

3. A family whose annual income is greater than the low income family ceiling but does not exceed 89 percent of the median income for the area as determined by HUD shall receive a monthly homeownership assistance payment equal to 66 percent of the amount calculated under ' 982.635.
4. A family whose annual income is greater than the 89 percent ceiling but does not exceed 99 percent of the median income for the area as determined by HUD shall receive a monthly homeownership assistance payment equal to 33 percent of the amount calculated under ' 982.635.
5. A family whose annual income is greater than 99 percent of the median income for the area shall not receive homeownership assistance under the pilot program.

(e) *Assistance payments to lender.* The PHA must make homeownership assistance payments to a lender on behalf of the disabled family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family. The provisions of ' 982.635(d), which permit the PHA to make monthly homeownership assistance payments directly to the family, do not apply to the pilot program.

(f) *Mortgage defaults.* The requirements of ' 982.638(d) regarding mortgage defaults are applicable to the pilot program. However, notwithstanding ' 982.638(d), the PHA may, in its discretion, permit a family that has defaulted on its mortgage to move to a new unit with continued voucher homeownership assistance if the PHA determines that the default is due to catastrophic medical reasons or due to the impact of a federally declared major disaster or emergency. The requirements of ' ' 982.627(a)(5) and 982.627(e) do not apply to such a family.

**HOMEOWNERSHIP OPTION: DOWN PAYMENT ASSISTANCE GRANTS.** [24 CFR982.643]

(a) *General.*

1. A PHA may provide a single down payment assistance grant for a participant that has received tenant-based or project-based rental assistance in the Housing Choice Voucher Program.
2. The down payment assistance grant must be applied toward the down payment required in connection with the purchase of the home and/or reasonable and customary closing costs in connection with the purchase of the home.
3. If the PHA permits the down payment grant to be applied to closing costs, the PHA must define what fees and charges constitute reasonable and customary closing costs. However, if the purchase of a home is financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements, including any requirements concerning closing costs (see ' 982.632(b) of this part regarding the applicability of FHA requirements to voucher homeownership assistance and ' 203.27 of this title regarding allowable fees, charges and discounts for FHA-insured mortgages).

(b) *Maximum down payment grant.* A down payment assistance grant may not exceed twelve times the difference between the payment standard and the total tenant payment.

(c) *Payment of down payment grant.* The down payment assistance grant shall be paid at the closing of the family=s purchase of the home.

(d) *Administrative fee.* For each down payment assistance grant made by the PHA, HUD will pay the PHA a one-time administrative fee in accordance with ' 982.152(a)(1)(iii).

(e) *Return to tenant-based assistance.* A family that has received a down payment assistance grant may apply for and receive tenant-based rental assistance, in accordance with program requirements and PHA policies. However, the PHA may not commence tenant-based rental assistance for occupancy of the new unit so long as any member of the family owns any title or other interest in the home purchased with homeownership assistance. Further, eighteen months must have passed since the family=s receipt of the down payment assistance grant.

(f) *Implementation of down payment assistance grants.* A PHA may not offer down payment assistance under this paragraph until HUD publishes a notice in the **Federal Register**.

Revision effective 10/22/2007

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**Addendum II to**

**Lorain Metropolitan Housing Authority**  
**Housing Choice Voucher Administrative Plan**

**Steps for Affirmatively Furthering Fair Housing Practices in the**  
**Housing Choice Voucher Family Self Sufficiency Program**

The Lorain Metropolitan Housing Authority (LMHA) will affirmatively further Fair Housing practices in its Housing Choice Voucher Family Self Sufficiency (HCV FSS) program by taking the following steps:

1. Advertising widely in the community for the HCV FSS Coordinator position whenever it becomes vacant by utilizing local newspapers, the internet, local hiring agencies and other hiring resources.

Records of all advertising for hiring are maintained at the LMHA Main Office. All applications, test results, interviews and new hires are logged and maintained on a spreadsheet for EEO reporting.

2. LMHA markets the HCV FSS program to all eligible persons, including persons with disabilities and persons with limited English proficiency, via semi-annual mass mailings to all HCV program participants. Information regarding the FSS program is also presented in all HCV orientations.

The HCV FSS Coordinator maintains a spreadsheet to document dates of mass mailings. A copy of each different mailing is filed with the spreadsheet. The Coordinator can run reports from PIC to download information on all applicants, including, but not limited to, race, ethnicity, familial status, and disability status. The Coordinator maintains a spreadsheet of applicants by name and date of application. Reviewing the number of applications received after a mass mailing will enable LMHA to assess the impact of the mailings.

Since the FSS program is marketed in the HCV orientations for new applicants and for participants who are moving, a spreadsheet of the dates of these orientations is maintained to enable LMHA to assess the impact of the FSS information presented in those sessions.

3. The LMHA administrative office where applications are processed and where services are delivered is fully ADA accessible. When a person with a disability requests an accommodation to facilitate communication about the program, LMHA utilizes the appropriate auxiliary aids based upon the person's request. These aids may include, but are not limited to, sign language translators, interpreters, readers, and a TTY/TTD system. On a case-by-case basis, LMHA makes communications and service delivery accessible to persons with disabilities in accordance with 24 CFR 8.6.

In accordance with LMHA's Reasonable Accommodation Policy, the Authority maintains a file of all requests for reasonable accommodations and LMHA's response to those requests.

4. LMHA refers applicants, participants and the general public to collaborating entities who provide fair housing assistance. An extensive list of the names and phone numbers (and for some agencies, the addresses and hours of service) of several social service agencies throughout Lorain County is maintained. This list is available at the LMHA front desk for applicants, participants and the general public. Authority personnel distribute several copies every week to those who express any need.
5. LMHA informs participants and applicants how to file a fair housing complaint by providing the toll-free number for the Midwest Fair Housing Office Enforcement Center (800-765-9372 & TTY 312-353-7143); the Ohio Civil Rights Commission (216-787-3150); and the Housing Discrimination Hotline (800-669-9777). All applicants and participants also receive the Fair Housing Booklet (HUD 1686 FHEO) along with the form HUD 903 Housing Discrimination Complaint. LMHA also gives direction to the Fair Housing website at [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing). The general public is also provided this information upon request.

A file is maintained of all Fair Housing complaints that LMHA must address, including the Authority's response and the results of any investigations.

6. LMHA's HCV FSS program has the goals of homeownership and housing mobility. The Authority recruits landlords and service providers in areas that expand housing choice to program participants through the LMHA Landlord Outreach program described in the HCV Administrative Plan.

Records of landlords and their rental units are maintained on the LMHA computer system. An HCV Administrative Assistant, who is responsible for sending out landlord information packets to potential new landlords, tracks the packets being sent out or distributed to walk-ins, and tracks when new landlords are added to the system. Results of the Landlord Outreach are recorded to assess the effectiveness of the recruitment and the locations of any new units available for program participants.

LMHA encourages landlords to register their information and list their available rental properties on [www.goSection8.com](http://www.goSection8.com). This website is utilized by anyone seeking rental property, not just HCV participants. However, it is a progressive method for sharing landlord and rental property information for applicants and participants.

June 5, 2008



# ADDENDUM III

## Lorain Metropolitan Housing Authority Housing Choice Voucher Program Administrative Plan Project-Based Voucher (PBV) Program

Project-based vouchers are a component of the Lorain Metropolitan Housing Authority's (LMHA) Housing Choice Voucher Program. Under the PBV program, assistance may be available for up to 20% of the total funding available under the Annual Contributions Contract (ACC) for tenant based assistance (Housing Choice Voucher funding). This Addendum provides LMHA's policies and procedures for its PBV program.

LMHA's PBV program is subject to the regulations at 24 CFR Part 983, which includes regulations governing policies and procedures that are not specified in this Administrative Plan. At the end of each section, a reference to the relevant portion of Part 983 is given. This citation has been included for the convenience of readers and is not intended as an authoritative or comprehensive citation.

### A. JURISDICTION

The jurisdiction for LMHA's PBV program is as set out in Chapter 1 of this Administrative Plan.

### B. LMHA's PBV COMMITMENTS AND PRIORITIES

LMHA's PBV program is designed to ensure that PBV assistance is used to support goals that could not be equally achieved through the use of tenant-based voucher assistance. LMHA's PBV program has committed to the following priorities:

1. Expand the supply of affordable housing and increase the affordable housing choices of residents within the jurisdiction.
2. Support projects which further revitalize neighborhoods, promote the deconcentration of poverty and generally provide increased housing and economic opportunities.
3. Work with the community to identify and serve populations with particular housing needs, including but limited to the provisions of supportive services to promote self-sufficiency, housing for families with disabilities and support services that are geared towards aiding the homeless or those at risk of being homeless.

### C. PROPOSAL SUBMISSION AND SELECTION

#### **Request for Proposals Process**

LMHA will select PBV proposals through a public Request for Proposals (RFP) process.

LMHA's PBV RFP will be advertised in a manner to provide broad public notice of the opportunity to offer PBV proposals for consideration by LMHA. The public notice procedures will include publication of the general 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 PBV RFP will specify the submission deadline. The public notice will inform owners or developers seeking project-based assistance of the availability of the full RFP document at LMHA's main office at 1604 Kansas Ave., Lorain, Ohio.

The full RFP document will provide detailed information about proposal submission and selection procedures and will be available upon request of interested parties at LMHA's main offices.

Property owners may submit PBV proposals in accordance with the proposal submission guidelines stated in the full RFP document. Proposals will be selected according to explicit criteria specified in the full RFP document, following the selection criteria stated below. Under no circumstances will LMHA's RFP selection preclude owner submission of proposals for PBV housing on different sites.

### **Alternative Competitive Processes**

In lieu of the above RFP process, HUD regulations permit LMHA to select a PBV proposal for housing assisted under a federal, state or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals, 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.

Proposals for PBV assistance which have been independently selected for housing assistance as described above may be submitted to LMHA on a rolling basis. LMHA's selection of proposals under the alternative competitive processes may be contingent upon the owner providing LMHA requirements for PBV assistance. LMHA will inform owners of any additional requirements at the time their proposals are submitted.

### **Selection Criteria**

Proposals will be selected according to the following selection criteria:

- The housing must promote one of LMHA's priorities for its PBV program.
- The proposal must comply with all HUD program regulations and requirements.
- The property must be eligible housing as determined under CFR 983.52 – 983.54.
- The proposal must comply with the applicable HUD limitations on the number of PBV units per building;
- The housing site must meet the site selection standards detailed at 24 CFR 983.57.
- Proposals for new construction or rehabilitation projects must demonstrate capacity, experience and successful outcomes in prior projects that indicate their ability to complete the construction work effectively and within the proposed schedule.
- Proposals for all housing must demonstrate capacity, experience and successful outcomes in property management, particularly management of housing targeted to low income persons and families.
- Proposals for supportive housing must demonstrate the capacity, experience and successful outcomes of the supportive services provider that indicate its ability to effectively provide sufficient supportive services. More detailed information about minimum supportive services is provided later in this addendum.
- Proposals must provide evidence of sufficient financing commitments (for construction, operations and supportive services if applicable) to demonstrate the project's long-term viability.

### **Public Notice and Review of LMHA Proposal Selection**

LMHA will provide public notice of PBV proposals selections, including publication of public notice in a local newspaper of general circulation and other means designed and operated to provide broad public notice.

LMHA will make documentation available for public inspection regarding the basis for LMHA's selection of a PBV proposal.

*24 CFR 983.51*

### **PHA-Owned Units**

A LMHA-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 this Administrative Plan. Under no circumstances may PBV assistance be used with a public housing unit.

*24 CFR 983.51 (e)*

### **Ineligible Units**

LMHA may not attach or pay PBV assistance for units in the following types of housing:

- Shared Housing
- 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. However, LMHA may attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing.
- Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution
- Manufactured homes
- Cooperative housing
- Transitional Housing

*24 CFR 983.54*

### **Cap on Number of Project-based Units**

No more than 25% of the total units in a building may receive PBV assistance unless the assisted units are made available to elderly or disabled families or families receiving supportive services. The following are eligible types of supportive services:

- FSS supportive services
- Mental health supportive services that allow families to live independently and successfully in an integrated community setting
- Self-sufficiency programs administered by federal, state or local governments or a non-profit organization that combines college education, housing, counseling, employment, child care, transportation and case manager services.

*24 CFR 983.56*

## **D. SITE SELECTION STANDARDS**

LMHA will only select proposals which demonstrate consideration of compliance with the below site selection standards, which ensure that selected proposals will meet the above program goals of deconcentrating poverty, expanding housing and economic opportunities and otherwise providing needed housing support:

### **General Site Selection Standards**

- Deconcentrating poverty and expanding housing and economic opportunities

- Civil rights laws and regulations
- Providing equal housing opportunity and minimizing minority concentration
- The site and housing units comply with Section 504 of the Rehabilitation Act and other fair housing and civil rights laws and requirements for effectively serving persons with disabilities.
- The site meets the HQS standards at 24 CFR 982.401(l).
- The site is adequate in size, exposure and contour to accommodate the number and type of units proposed. Adequate utilities and streets must be available to service the site.
- The site promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- The site is accessible to social, recreational, educational, commercial and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted standard housing of similar market rents.
- The site is located so that travel time and cost via public transportation or private automobile from the neighborhoods to places of employment providing a range of jobs for lower income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for elderly housing.

In addition, the following site requirements are applicable to all new construction projects:

- The neighborhood must not be one which is seriously detrimental to family life or in which substantial dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesired conditions.
- The site must not be located in an area of minority concentration.

### **Deconcentrating Poverty and Expanding Opportunities**

Beyond the basic site selection standards above, LMHA will assess each proposal for its likelihood to deconcentrate poverty and expand housing economic opportunities based on the following HUD-mandated factors:

- HUD Designated Zones – whether the census tract in which the proposed development will be located is in a HUD-designated Enterprise Zone, Economic Community or Renewal Community
- Public Housing Demolition – whether the proposed development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition
- Revitalization – whether the proposed development will be located in a census tract undergoing significant revitalization
- Public Investment – whether state, local or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement
- Market Rate Development – whether new market rate units are being developed in the same census tract where the proposed development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area
- Poverty Rate – if the poverty rate in the area where the proposed development will be located is greater than 20%, the LMHA will consider whether there has been a decline in the overall poverty rate in the past five years
- Educational and Economic Opportunities – whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed development will be located

## Site Standards Related to Minority Concentration

Proposed sites for project-based assistance must not be located in an area of minority concentration or 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 unless:

- Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside of areas of minority concentration; or
- The project is necessary to meet overriding housing needs that cannot be met in that housing market.

Each exception is detailed more fully below.

- Sufficient, Comparable Opportunities (24 CFR 983.57(e)(3)(iii-v))

The requirement of “sufficient” comparable opportunities does not require that, in every locality, there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this “sufficient” standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside of areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality’s population.

Units may be considered “comparable opportunities” if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require roughly the same tenant contribution toward rent; serve the same income group; are located in the same housing market; and are in standard condition.

Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

- A significant number of assisted housing units are available outside areas of minority concentration.
- There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
- There are racially integrated neighborhoods in the locality.
- Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration, and comparable housing opportunities have been made available outside areas of minority concentration through other programs.
- Minority families have benefited from local activities (e.g. acquisition and write downs of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
- A significant proportion of minority households has been successful in finding units in non-minority under the tenant-based assistance programs.

*24 CFR 983.57*

- Overriding Housing Needs

Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate

neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).

However, an “overriding housing need” may not serve as the basis for determining that a site is acceptable if the only reason that the housing need cannot otherwise be feasibly met, in other areas, is that discrimination on the basis of protected categories, including race, renders sites outside area of minority concentration unavailable, or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

*24 CFR 983.57 (e)(3)(vi)*

#### **E. SUPPORTIVE SERVICES GUIDELINES AND REQUIREMENTS**

It is not necessary that the services below be provided by or at the project. However, to qualify as an “excepted unit” a family must have at least one member receiving at least one qualifying supportive service. Proposals that include supportive services should identify the particular services that will be provided and the service provider(s). LMHA will evaluate proposals including supportive housing units on the basis of the specific services provided, the intensity of the services and the target population to be served. LMHA will also evaluate supportive housing proposals based on the history and track record of the proposed service providers and the need for the supportive housing at the proposed site.

- Educational Services or Counseling
- Employment or vocational training, counseling or referrals
- Life skills training or counseling
- Credit counseling
- Personal Finance training and counseling
- Healthcare prevention and/or Community Outreach
- Supportive housing for persons with developmental disabilities or mental illness
- Support housing for persons with legal custody of grandchildren
- Referrals to or provision of day care, after school programs or other youth services

Pursuant to HUD regulations, project-based assistance will ordinarily be limited to 25% of the units contained within the proposed project. However, for projects providing supportive services, each unit that is occupied by families receiving qualified supportive services shall be an “excepted unit” and shall not apply towards the 25% cap.

#### **Qualifying Supportive Services**

Qualifying Supportive Services include:

- Job training
- Counseling
- Case management services with extended day hours availability and on-call availability
- Coordination with vocational services, including coordination with job training and employment services

#### **Family Responsibility**

At the time of the initial lease execution between the family and the owner, the family and LMHA must sign a Statement of Family Responsibility. The Statement of Family Responsibility must contain all family obligations including the family’s participation in a service program as contemplated within this

## Administrative Plan.

At the family's annual certification, LMHA will require written documentation from the service provider indicating the family's continued compliance with the terms of the supportive services plan. Project owners will also be expected to provide some level of monitoring of the services provided. This monitoring should be detailed in the proposal and will be evaluated as part of the selection process. At LMHA's discretion, LMHA may request additional documentation of compliance with supportive service obligations.

The unit is eligible for status as an "excepted unit" so long as at the time of the occupying family's initial tenancy at least one member of the family is receiving a qualifying supportive service. If the family completes an FSS contract of participation or the supportive services requirement, the unit will continue to count as an "excepted unit" for as long as the family resides in that unit.

### **Family Failure to Comply with Supportive Service Requirements**

Failure without good cause by a family to complete or comply with its supportive service participation requirements will result in termination of the project-based assistance for that unit and may result in the termination of the lease by the project owner.

*24 CFR 983.56*

### **F. WAITING LISTS**

The PBV program waiting list will be maintained separately from the tenant-based waiting list. LMHA may establish individual site-based waiting lists for each PBV project selected.

LMHA will offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list(s) for PBV assistance.

LMHA will open and close the site-based waiting lists pursuant to the procedures outlined in this Administrative Plan.

*24 CFR 983.251(c)*

### **G. PREFERENCES**

LMHA may establish separate preferences for each PBV project. These preferences may include those for elderly or disabled families or preferences related to supportive housing programs. Preferences may include those outlined in the Administrative Plan.

Any preferences that would be necessary to the operation of the project, or required by a funding source must be disclosed in the proposal.

### **Local Preference System**

Subject to the Supportive Services Preference below, the preference system located in Chapter 4 of this Administrative Plan will apply to any PHA-wide PBV waiting list and, unless otherwise specified in the proposal or other project documents, shall apply to site-based waiting lists.

### **Supportive Housing Related Preferences**

If PBV units include special accessibility features for persons with disabilities, LMHA will first refer families who require such accessibility features to the owner. For other units that are designated to receive supportive services, LMHA may give preference to disabled families who need services offered at a particular project. Project owners 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.

Only families that meet the following limits will be eligible for any supportive housing preference:

- Families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing
- Families that without appropriate supportive services will not be able to obtain or maintain themselves in housing
- Families for whom such services cannot be provided in a non-segregated setting

Disabled residents shall not be required to accept the particular services offered at the project.

LMHA is prohibited from granting preferences to persons with specific disabilities (see 24 CFR 982.207(b)(3)), but may grant preferences in accordance with the criteria set forth above.

*24 CFR 983.251(d)*

#### H. APPLYING FOR ADMISSION

The process of applying for admission to the PBV program is not different than the process of applying for admission to the tenant-based program, which is provided in this Administrative Plan.

At the time of application, LMHA will provide applicants with the opportunity to be placed on the tenant-based waiting list if open or any open site-based or other PBV waiting lists.

*24 CFR 983.251*

#### I. TENANT SELECTION

When notified of a vacancy in a PBV unit, LMHA will refer tenants according to the following procedures:

First-come, first-served among applicants on the specific PBV waiting list.

For PBV waiting lists that include preferences, LMHA will select applicants from the waiting list on a first-come, first-served basis:

- Qualified for preference at the time of application; and
- Continue to qualify for preference at the time of admission

For PBV waiting list that includes the local preferences outlined in Section G, each preference will receive an allocation of points. The more preference points an applicant has, the higher the applicant's place on the waiting list.

*24 CFR 983.251*

#### J. TENANT SCREENING

LMHA's procedures for tenant screening for the PBV program are not different than procedures for screening tenant-based applicants, which are provided in this Administrative Plan.

LMHA's policy for providing information to owners about families referred to PBV units is not different than LMHA's policies for tenant-based applicants, which are provided in this Administrative Plan.

*24 CFR 983.255*



K. PROCEDURES FOR FAMILIES OCCUPYING A UNIT OF THE WRONG SIZE OR AN ACCESSIBLE UNIT WHOSE ACCESSIBILITY FEATURES ARE NOT REQUIRED BY THE FAMILY

If a family is determined by LMHA to occupy a wrong-sized unit, or a unit with accessibility features that the family does not require (and such unit is needed by a family that requires the accessibility features) then LMHA must promptly notify the family and the project owner of this determination and must offer continued assistance in another appropriately sized or accessible unit.

Continued assistance after unit, which may include, but is not limited to the following options:

- PBV assistance in an appropriate-sized unit (in the same building or in another building)
- Other project-based housing assistance (including occupancy of a public housing unit)

For families who have been notified that they occupy a wrong-sized unit, and offered continued assistance:

- If the PHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program, the PHA must terminate the HAP payments for a wrong-sized unit at expiration of the term of the family's voucher (including any extensions granted by the PHA).
- If the PHA offers the family the opportunity for another form of continued housing (as provided above), 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 HAP payments for the wrong-sized unit, at the expiration of a reasonable period as determined by the PHA.

*24 CFR 983.259*

L. FAMILY'S RIGHT TO MOVE

A family residing in a PBV unit may terminate the assisted lease any time after the first year of occupancy and request comparable tenant-based assistance from LMHA. Any family interested in transferring to the tenant-based program may submit a written request to the HCVP Manager after the initial lease term has expired.

Should a family terminate its PBV lease and request alternate assistance, LMHA shall offer the family the opportunity for continued tenant-based rental assistance, or if such assistance is not immediately available upon termination of the lease, LMHA will give the family priority to receive the next available opportunity for continued rental assistance.

If the family terminates that assisted lease before the end of one year of occupancy, the family will not be entitled to continued tenant-based assistance or priority for such assistance under this section. However, the family may reapply for tenant-based assistance or other project based assistance pursuant to the policies outlined in Section H above and in this Administrative Plan.

*24 CFR 983.260*

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## **APPENDIX I – HCVP ADMINISTRATIVE PLAN**

### **CONFLICT OF INTEREST PROVISIONS; CONDUCTING BUSINESS WITH ETHICAL STANDARDS**

#### **CONFLICT OF INTEREST:**

(A) Neither LMHA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one (1) year thereafter:

1. Any present or former member or officer of the PHA (except a participant commissioner);
2. 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;
3. Any public official, member of a governing body, or State or local legislator who exercises functions or responsibilities with respect to the programs; or
4. Any member of the Congress of the United States

(B) Any member of the classes described in paragraph (A) of this section must disclose their interest or prospective interest to LMHA and HUD.

(C) The conflict of interest prohibition under paragraph (A) of this section may be waived by the HUD field office for good cause.

#### **CONDUCTING BUSINESS WITH ETHICAL STANDARDS:**

The Lorain Metropolitan Housing Authority (LMHA) shall prohibit the solicitation or acceptance of gifts or gratuities, in excess of a nominal value, by any officer or employee of the PHA, or any contractor, subcontractor, or agent of the PHA.

Employees violating the LMHA “Ethical Standards Code” shall be subject to disciplinary action up to and including termination. The disciplinary action shall be commensurate with the violation.

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## APPENDIX 2 - HCV ADMINISTRATIVE PLAN

### LORAIN METROPOLITAN HOUSING AUTHORITY UIV / EIV (income verification) POLICY

**LMHA will use** the Enterprise Income Verification (EIV) provided by HUD to determine if residents/participants are disclosing all household income.

**LMHA will advise** applicants, HCV participants, and Public Housing residents of the PHA's ability to compare the income they are disclosing to the income reported through State Wage Income Collection Agencies, Social Security benefits, and Unemployment benefits.

Upon receipt of an application, the Admissions personnel (PHA & HCV) shall check the SSN of all adult members on the application under the Existing Tenant Search to ensure applicants are not currently a lease holder or a member of a household residing in a subsidized unit.

The Admissions personnel shall run the Existing Tenant Search again immediately prior to being offered housing/rental assistance to ensure the applicant did not lease elsewhere while on the waiting list. If the result is positive, the Admissions personnel will follow up with the respective housing provider to confirm program participation prior to the applicant being admitted to housing.

Admissions personnel shall also run the Search for Former Tenant report for adult applicants. Regardless of the results, personnel shall print the screen showing the last four digits of the SSN and place it in the applicant file. This information will be used in assessing the applicant's eligibility for housing.

**LMHA will review** the EIV system 120 days after admission of an applicant to assisted housing to determine if the applicant disclosed all income at the time of admission to assisted housing.

Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information.

**For each new admission** (form HUD-50058 action type 1), the PHA is required to do the following:

- i. Review the EIV Income Report to confirm/validate family reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

**For each historical adjustment** (form HUD – 50058 action type 14), the PHA is required to do the following:

- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and

- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

**For each interim reexamination** (form HUD – 50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:

- i. **ICN Page** when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV report, however, only the ICN page is required.)
- ii. **EIV Income Report** when there is an income discrepancy noted on the household's Income Discrepancy Report or Income Discrepancy Report.

**For each annual reexamination** of family income and composition, the PHA is required to have the following documentation in the tenant file:

1. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and ***if necessary*** (as determined by the PHA), traditional and third party verification forms(s).
2. **Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information.
3. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and if necessary (as determined by the PHA), traditional third party verification form(s)

**When the income information supplied** by EIV reveals an employer or other income source that the resident/participant did not disclose or a substantial difference in what was reported, LMHA will:

- a. Discuss the income discrepancy with the tenant; and
- b. Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- c. In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
- d. If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
- e. Take appropriate action as directed by HUD or the PHA's administrative policies.

**Resident/participants who fail to disclose** all income are required to reimburse the PHA if they were charged less than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA **must** terminate the family's tenancy or assistance, or both. HUD **does not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the PHA, include the total retroactive rent amount owed, amount of lump sum payment made at the execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the Public Housing Lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the PHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

PHAs are required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example if the PHA determines that the family has not reported income for a period of five (5) years and only has documentation for the last three (3) years, the PHA is only able to determine retroactive rent for the three (3) years for which documentation is available.

**PHAs have the discretion** to establish thresholds and policies for repayment agreements in addition to HUD required procedures. Factors used to determine the appropriate action to be taken will be the length of time the income was unreported, the amount of money the resident/participant must repay, the number of times the resident/participant completed the Personal Declaration form and failed to disclose the income, and the number of times the resident/participant met with an LMHA employee and failed to disclose the income.

**If LMHA determines** it is in the best interest to offer the resident/participant a repayment agreement and permit the resident/participant to remain in subsidized housing, the following time frames shall apply to the repayment agreement:

\$1.00	to	\$300.00	up to 4 months
\$301.00	to	\$500.00	up to 6 months
\$501.00	to	\$800.00	up to 9 months
\$801.00	to	\$1000.00	up to 12 months
\$1001.00	to	\$1500.00	up to 15 months
\$1501.00	to	\$2000.00	up to 18 months
\$2001.00	to	\$2500.00	up to 24 months

**Any deviation from** the above schedule must be approved by the Section 8 Manager or the Public Housing Manager, along with securing the approval of the Director, Assistant Director, or the Operations Manager. The above reference payment schedule will be used for all overpayments resulting from non-disclosed income, whether is disclosed to LMHA under the EIV system or LMHA is able to detect unreported income through other means.

**For amounts in excess** of \$2500.00, the Director and Operations Manager will review the circumstances surrounding the overpayment with the Section 8 Manager/Public Housing Manager to determine a course of action.

**In instances where** the non-disclosure of income results in overpayments that exceed \$5000.00, the resident/participant's case will be referred to LMHA Legal Counsel for appropriate action. Any amounts exceeding \$2500.00 will also be reported to the Credit Bureau.

**HUD defines a substantial difference** as one that is \$200.00 or more per month. **LMHA's HCVP interim policy no longer requires an interim rent change unless there is a reduction in income, change in household composition, quarterly agreements, family qualifies for EID or for the purposes of increasing the family's rent for FSS purposes.** The ~~\$200~~500.00 threshold for interim rent changes is applicable to LMHA's Public Housing, and \$200 for Section 8 New Construction.-

**In order to ensure** PHAs are aware of potential subsidy payment errors, PHAs **are required** to monitor the following EIV reports on a monthly basis:

- Deceased Tenants Report
- Identity Verification Report
- Immigration Report

**In order to ensure** PHAs are aware of potential subsidy payment errors, PHAs **are required** to monitor the following EIV reports on a quarterly basis:

- Income Discrepancy Report
- Multiple Subsidy Report
- New Hires Report (if your agency has an interim increase policy)

**All LMHA Staff working with** the EIV System are required to complete Annual Security Awareness training and EIV system training (initial (complete system training) and update (interim system changes) training) when offered by HUD Headquarters (HHQ). This training requirement also applies to those individuals who will not access EIV, but will view or handle printed and/or electronic EIV data. Individuals who will view and/or handle printed EIV information are required to complete only annual Security Awareness training (EIV system training is optional for these individuals). EIV training provided by third parties (other than HUD Headquarters) does not fulfill the mandatory EIV training requirement.

**LMHA employees will be advised** that the Federal Privacy Act (5 USC 552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or copy provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the PHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

Penalties for willful disclosure or inspection of EIV data:

1. Unauthorized disclosure – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
2. Unauthorized inspection – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.

**LMHA staff shall properly** dispose of the EIV data as soon as it has met the audit requirements of the Housing Authority and the U.S. Department of Housing and Urban Development. All information contained in a resident/participant's file will be in a secure area.

**The proper disposal** of EIV originals and any documents created is shredding. The LMHA



employee shall maintain a register of any EIV documents shredded.

**LMHA will keep** tenant files in a secure area. Access to the secure area will be limited to LMHA Staff or visitors escorted by LMHA Staff. Restricted areas will be marked clearly with appropriate signs.

**LMHA will restrict** access to EIV data only to those employees whose duties and responsibilities require access in order to determine the appropriate level of rental assistance.

**LMHA Staff using** the EIV system must sign a User Agreement.

**LMHA provides** applicants and tenants of PIH rental assistance with the ***“What you Should Know About EIV Guide”*** to educate families about EIV and inform them of how it affects their family.

**LMHA will conduct** a quarterly review of all User ID’s issued to determine if the Users still have a valid need to access the EIV data.

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## APPENDIX 3 – HCVP ADMINISTRATIVE PLAN

### Lorain Metropolitan Housing Authority (LMHA) Violence Against Women Act (VAWA) Policy

#### I. Purpose and Applicability

The purpose of this policy (herein called “Policy”) is to implement the applicable provisions of the Violence Against Women and Department of Justice Reauthorization Act of 2005 and more generally to set forth LMHA’s policies and procedures regarding domestic violence, dating violence, and stalking, as hereinafter defined.

This Policy shall be applicable to the administration by LMHA of all federally subsidized public housing and Section 8 rental assistance under the United States Housing Act of 1937. Notwithstanding its title, this policy is gender-neutral and its protections are available to males who are victims of domestic violence, dating violence, or stalking as well as female victims of such violence.

#### II. Goals and Objectives

This Policy has the following principal goals and objectives:

- A. Maintaining compliance with all applicable legal requirements imposed by VAWA.;
- B. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, stalking **or sexual assault (2013)**;
- C. Creating and/or maintaining collaborative arrangements between LMHA, law enforcement authorities, victim service providers and others to promote the well-being of victims of actual and threatened domestic violence, dating violence, stalking **or sexual assault**, who are assisted by LMHA; and
- D. Taking appropriate action in response to a reported incident or incidents of domestic violence, dating violence, stalking **or sexual assault**, affecting individuals assisted by LMHA.

#### III. Other LMHA Policies and Procedures

This Policy shall be referenced in and attached to LMHA’s Five-Year Public Housing Agency Plan and shall be incorporated in and made a part of LMHA’s Admissions and Continued Occupancy Policy and LMHA’s Section 8 Voucher Administration Plan. LMHA’s annual public housing agency plan shall also contain information concerning LMHA’s activities, services or programs relating to domestic violence, dating violence, stalking **or sexual assault**, if any.

#### IV. Definitions

As used in the Policy:

- A. **Domestic Violence** – The term “domestic violence” includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under 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.
- B. **Dating Violence** – means violence committed by a person:
- (a) who is or has been in a social relationship of a romantic or intimate nature with the victim; and
  - (b) 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.
    - (iii) the frequency of interaction between the persons involved in the relationship.
- C. **Stalking** – means
- (a)
    - (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and
    - (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
  - (b) in the course of, or as a result of, such following, pursuit, surveillance or repeatedly commit acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or cause substantial emotional harm to
    - (i) that person;
    - (ii) a member of the immediate family of that person; or
    - (iii) the spouse or intimate partner of that person.
- D. **Sexual Assault** – means any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent.
- E. **Affiliated Family Member** – means, with respect to a person
- (a) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or
  - (b) any individual, tenant, or lawful occupant living in the household of the individual.
- F. **Perpetrator** – means a person who commits an act of domestic violence, dating violence or stalking against a victim.

## V. Admissions and Screening

**Non-Denial of Assistance.** LMHA will not deny admission to public housing or to the Section 8 rental assistance program to any person because that person has been a victim of domestic violence, dating violence, or stalking provided that such person is otherwise qualified for such admission.

## VI. Termination of Tenancy or Assistance

A. **VAWA Protections.** Under VAWA, public housing residents and persons assisted under the Section 8 rental assistance program have the following specific protections, which will be observed by LMHA:

1. An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be considered to be a “serious or repeated” violation of the lease by the victim or threatened victim of that violence and will not be good cause for terminating the tenancy or occupancy rights of assistance to the victim of that violence.

2. In addition to the foregoing, tenancy or assistance will not be terminated by LMHA as a result of criminal activity, if that criminal activity is directly related to domestic violence, dating violence or stalking engaged in by a member of the assisted household, a guest or another person under the tenant’s control, and the tenant or an immediate family member is the victim or threatened victim of this criminal activity. However, the protection against termination of tenancy or assistance described in this paragraph is subject to the following limitations:

(a) Nothing contained in this paragraph shall limit any otherwise available authority of LMHA or a Section 8 owner or manager to terminate tenancy, evict, or to terminate assistance, as the case may be, for any violation of a lease or program requirement not premised on the act of acts of domestic violence, dating violence, or stalking in question against the tenant or a member of the tenant’s household. However, in taking any such action, neither LMHA nor a Section 8 Manager or owner may apply a more demanding standard to the victim of domestic violence, dating violence, or stalking than applied to other tenants.

(b) Nothing contained in this paragraph shall be construed to limit the authority of LMHA or a Section 8 owner or manager to evict or terminate from assistance any tenant or lawful applicant in the owner, manager, or LMHA, as the case may be, can demonstrate an actual an imminent threat to other tenant or to those employed at or providing service to the property, if the tenant is not evicted or terminated from assistance.

B. **Removal of Perpetrator.** Further, notwithstanding anything in paragraph {VI.A.2} or Federal, State or local law to the contrary, LMHA or a Section 8 owner or manager, as the case may be, may bifurcate a lease, or remove a household member from a lease, without regard to whether a household member is a signatory to a lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in **criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual.** Such action against the perpetrator of such physical violence may be taken without evicting, removing, terminating assistance to, or

otherwise penalizing the victim of such violence who is also the tenant or a lawful occupant. Such eviction removal, termination of occupancy rights or termination of assistance shall be effected in accordance with the procedures prescribed by law applicable to terminations of tenancy and evictions by LMHA. Leases used for all public housing operated by LMHA and, at the option of Section 8 owners or managers, leases for dwelling units occupied by families assisted with Section 8 rental assistance administered by LMHA, shall contain provisions setting forth the substance of this paragraph.

## VII. Verification of Domestic Violence, Dating Violence or Stalking

A. **Requirement for Verification.** The law allows LMHA or a Section 8 owner or manager to verify that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking claimed by a tenant or other lawful occupant is bona fide and meets the requirements of the applicable definitions set forth in this policy. Subject only to a waiver as provided in paragraph VII.C., LMHA shall require verification in all cases where an individual claims protection against an action involving such individual proposed to be taken by LMHA. Section 8 owners or managers receiving rental assistance administered by LMHA may or may not elect to require verification as permitted under applicable law.

Verification of a claimed incident or incidents of actual or threatened domestic violence, dating violence, or stalking may be accomplished in one of the following ways:

1. **HUD-approved form** – by providing LMHA or the requesting Section 8 owner or manager HUD form #50066 which is available at LMHA, 1600 Kansas Ave., Lorain and all Development Offices of LMHA. The incident or incidents in question must be described in reasonable detail on the prescribed HUD 50066 and the certification must include the name of the perpetrator, **only if the name is known and safe to provide.**
2. **Other documentation** – by providing LMHA or the requesting HCVP owner or manager documentation signed by an employee, agent, or volunteer of a victim service provider an attorney, or a medical professional, from whom the victim has sought assistance in addressing the domestic violence, dating violence or stalking, or the effects of the abuse, described in such documentation. The professional providing the documentation must sign and attest under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse meeting the requirements of the applicable definition(s) set forth in this policy. The victim of the incident must also sign and attest to the documentation under penalty of perjury.
3. **Police or court record** – by providing to LMHA or to the requesting Section 8 owner or manager a Federal, State, tribal, territorial, or local police report describing the incident or incidents in question.

B. **Time allowed to provide verification/failure to provide.** An individual who claims protection against adverse action based on an incident or incidents of actual or threatened

domestic violence, dating violence, or stalking and who is requested by LMHA, or a Section 8 owner or manager to provide verification, must provide such verification within 14 business days (excludes Saturdays, Sundays, and federal holidays) after receipt of the request for verification. Failure to provide verification in proper form within such time will result in loss of protection under VAWA and this policy against a proposed adverse action.

C. ***Waiver of verification requirement.*** The Executive Director of LMHA, or his designee, or a Section 8 owner or manager, may with respect to any specific case, waive the above stated requirements for verification and provide the benefits of this policy based on the victim's statement or other corroborating evidence. Such waive must be in writing. A waive in a particular instance or instances shall not operate as precedent for, or create any right to, waiver in any other case or cases, regardless of similarity in circumstances.

## VII. **Confidentiality**

A. ***Right of confidentiality.*** All information (including the fact that an individual is a victim of domestic violence, dating violence, or stalking) provided to LMHA or a Section 8 owner or manager in connection with a verification required under section VII of this policy shall be retained by the receiving party in confidence and shall neither be entered in any shared database nor provided to any related entity, except where disclosure is:

1. requested or consented to by the individual in writing, or
2. required for use in public housing eviction proceeding or in connection with termination of Section 8 assistance as permitted by VAWA, or
3. otherwise required by applicable law.

B. ***Notification of rights.*** All tenants of public housing and tenants participating in the Section 8 rental assistance program administered by LMHA shall be notified in writing concerning their right to confidentiality and the limits on such rights to confidentiality.

## IX. **Transfer to New Residence**

***Application for transfer.*** In situations that involve significant risk of violent harm to an individual as a result of previous incidents or threats of domestic violence, dating violence, or stalking, LMHA may, if an approved unit size is available at a location that may reduce the risk of harm, approve a transfer by a public housing resident to a different unit in order to reduce the level of risk to the individual. The request to transfer must be accompanied by documentation of the incident as set forth in this policy.

A Section 8 assisted tenant will not be denied portability to a unit located in another jurisdiction (notwithstanding the term of the tenant's existing lease has not expired, or the family has not occupied the unit for 12 months) so long as the tenant has complied with all other requirements of the Section 8 program and has moved from the unit in order to protect the health and safety of an individual member of the household who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believes that the tenant or other household member will be imminently threatened or harmed if the individual remains in the present dwelling unit.

## **X. Relationships with Service Providers**

It is the policy of LMHA to cooperate with organizations and entities, both private and governmental that provide shelter and/or services to victims of domestic violence. At their discretions, if LMHA staff become aware that an individual assisted by LMHA is a victim of domestic violence, dating violence, or stalking, LMHA may make the victim aware of such providers of shelter or services as appropriate. This policy does not create a legal obligation requiring LMHA either to maintain a relationship with any particular provider of shelter or services to victims of domestic violence or to make a referral in any particular case. LMHA's annual public housing agency plan shall describe providers of shelter or services to victims of domestic violence with which LMHA has referral or other cooperative relationships and/or agreements.

## **XI. Notification**

LMHA provides written notification to applicants, tenants, and Section 8 owners and managers concerning the rights and obligations created under VAWA relating to confidentiality, denial of assistance, and termination of tenancy or assistance.



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## APPENDIX 4 – HCVP ADMINISTRATIVE PLAN

### SELF-EMPLOYMENT/SMALL BUSINESS INCOME POLICY LMHA HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)

**GROSS INCOME:** Add all cash, checks, fair market value of property, and fair market value of services received during the year (provide monthly ledger and receipts). Income Tax 1040 including all Schedules and appropriate forms such as W-2 or 1099 must be submitted every year.

**DEDUCTIONS:** Not all IRS deductions are used to figure net income for the Section 8 program purposes. We do not consider transportation such as air fare, lodging, meals, business depreciations, entertainment, gifts.

**PERSONAL CAR:** Must have adequate records such as a written travel log with complete and accurate mileage records for each business use of the car. Actual expenses or standard mileage rate may be used.

There are NO deductions for personal use mileage.

There are NO deductions for travel from home to primary place of work.

Deductions may include:

Travel from one work place to another

Business trips to customers or meetings away from the work place

Going to temporary workplace

**ACTUAL EXPENSE METHOD:** Add entire car operating expenses for the year including actual costs of gas, oil, tires, repairs, license fees, lease payments, registration fees, garage rental, insurance and depreciation. Based on business miles vs. personal miles, figure the percentage for business miles and multiply times (x) the total costs.

**STANDARD MILEAGE RATE:** Use standard mileage rate x business miles. Use of any actual operating expenses CANNOT be used with this method!

**ASSETS:** Property and equipment owned and used for the business. Keep complete and detailed records showing: (1) when purchased or acquired, (2) cost to you, (3) reason for use, (4) how much item is used for business vs. personal use. Life expectancy of item (#of years) divided into actual cost or value = 1 year deduction for each year used. Total cost cannot generally be deducted all in one year.

**OFFICE SUPPLIES:** Expenses appropriate for business, trade, or profession that are itemized with receipts. Examples: business cards, forms, pens, computer paper, etc.

**NECESSARY EXPENSES:** Expenses appropriate for business, trade, or profession that are itemized with receipts. Examples: License fees, required education or dues/fees.

Section 8 will calculate anticipated annual income by using 3 – 6 months provided ledgers and receipts which the participant provides as correct accounting records. The HA will have the right to complete retro changes and repay charges should income tax records prove the income was more than reported to the Section 8 department.

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## APPENDIX 5 – HCVP ADMINISTRATIVE PLAN

### LMHA POLICY FOR USE, RETENTION AND DISPOSAL OF CRIMINAL HISTORY INFORMATION

Under 24 CFR Part 5.903, 960 and 982, PHAs are authorized to obtain and use the criminal records to screen applicants for admission to Public Housing and the Section 8 Housing Choice Voucher (HCV) Programs, and for lease enforcement or eviction of families residing in Public Housing or receiving HCV assistance. Under these rules for both the Public Housing and HCV Programs, there are certain policies that PHAs much adopt to screen out applicants that have been engaged in specific criminal conduct. PHAs are required to adopt the following admissions standards that prohibit admission to applicants or lease provision that authorize a PHA to propose to evict a household for the following offenses:

- \* Persons currently engaged in illegal drug activity;
- \* Fugitive felons, parole violators and persons 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;
- \* Persons convicted for producing Methamphetamine on federal assisted housing property;
- \* Sex offenders who are required by law to register with a law enforcement agency;
- \* Persons whom a PHA determines it has reasonable cause to believe the household member's illegal drug or alcohol abuse which would threaten the health, safety or interfere with the peaceful enjoyment of the premises by other residents; and
- \* Persons evicted from federally assisted housing for drug-related criminal activity less than 3 years ago, unless the tenant successfully completes a rehabilitation program approved by the PHA or the circumstances for the eviction no longer exist.

The PHA shall obtain written permission of the applicant to check for criminal history records through State or Local Law Enforcement Agencies.

**Opportunity to Dispute.** If the PHA obtains criminal record information from a State or Local Agency that shows that a household member has been convicted of a crime relevant to applicant screening, lease enforcement or eviction, the PHA must notify the household of the proposed action to be based on the information obtained and must provide the subject of the record and applicant or tenant a copy of such information and the opportunity to dispute the accuracy and relevance of the information. This opportunity must be provided before a final decision of denial of admission, eviction or lease enforcement action on the basis of such information.

**Records Management.** LMHA shall ensure that any criminal record received 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 LMHA action without institution of a challenge or the final disposition of any such challenge or legal litigation. Once LMHA has determined the records are of no further use, LMHA shall note on the "Criminal Record Disposition Form" the date of disposal (shredding), the LMHA employee disposing of the record and the name of the State or Local Agency from which the records were obtained.

Criminal records are to be managed in accordance with the requirements in 24 CFR 5.903 (g). Consent forms obtained from applicants expire automatically, immediately following the PHA's final decision to either approve or deny admission. If a person is denied admission, the record must be destroyed in a timely manner following the expiration period of the statute of limitations for civil action challenging a denial.

In addition, PHAs must handle any information obtained from other records in accordance with applicable State and Federal privacy laws and with the provision of the consent forms signed by the applicant/tenant. Any criminal history record information obtained through the submission of fingerprints to the FBI may be provided to the subject of the record upon his/her request. It is recommended that a receipt be signed by the subject upon issuance of the record for the protection of the PHA.