PHILADELPHIA HOUSING AUTHORITY

OPENING DOORS TO OPPORTUNITIES

Housing Choice Voucher Program Administrative Plan

BOARD APPROVED: JUNE 15, 2017

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CHAPTER 1: OVERVIEW OF THE PROGRAM & PLAN

1.1 Moving to Work Demonstration

The Philadelphia Housing Authority (PHA) has been designated a Moving to Work Demonstration site, provided under Section 204(a) of the 1996 Appropriations Act. The Moving to Work Demonstration Agreement was effective April 1, 2001 and is expected to continue until the end of PHA's 2018 Fiscal Year (FY), unless such term is otherwise extended by HUD.

PHA's MTW Agreement provides that PHA shall have flexibility to design and test various approaches for providing and administering housing assistance that reduce cost and achieve greater cost effectiveness in federal expenditures; give incentives to households with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other programs that assist in obtaining employment and becoming economically self-sufficient; and increase housing choices for low income households.

PHA is exempt from certain provisions of the U.S. Housing Act of 1937 and its implementing regulations. This allows PHA to design and test innovative methods of providing housing and delivering services to low-income households in an efficient and effective manner. PHA may adopt and implement policies for admission and occupancy, eligibility, selection and assignment, hardships, change in income, definition of elderly, recertifications, establishing rents, lease requirements, and other specific criteria. The policies PHA has implemented pursuant to MTW are included in this Administrative Plan, PHA's MTW Agreement, and PHA's Annual Plans.

PHA's Administrative Plan includes policies which have been developed and implemented under the MTW program. The policies adopted by PHA, under the MTW Agreement, will remain in force through the term of the Agreement and will supersede existing and applicable HUD requirements unless and until amended.

Additionally, this Plan includes policies which govern the units not covered under PHA's MTW Agreement. These policies have been developed pursuant to applicable federal laws and regulations. Program policies related to the Housing Choice Voucher (HCV) Program and not addressed in this Plan are governed by PHA's MTW Agreement, Annual Plans and, as applicable, federal statutes and regulations as well as other applicable law.

1.2 Mission Statement

PHA's mission is to open doors to affordable housing, economic opportunity and safe, sustainable communities to benefit Philadelphia residents with low incomes.

1.3 Overview and Purpose of the Plan

The Philadelphia Housing Authority (PHA) is a non-profit, quasi-public corporation which administers the HCV program in conformance with all applicable federal, State and local regulatory requirements.

The Administrative Plan is required by HUD. The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements, PHA's MTW Agreement and local goals and objectives included in PHA's MTW Plans. This Administrative Plan is available for public review.

1.4 Updating and Revising the Plan

PHA will review and update the Administrative Plan as needed to reflect changes in regulations, MTW initiatives, PHA operations, or when needed to ensure staff consistency in operation. The original plan and any changes are approved by PHA's Board of Commissioners.

PHA, from time to time, may make non-substantive changes and edits to the Administrative Plan to clarify policy language.

1.5 Applicable Regulations and Agreements

This Administrative Plan is governed by the following authorities:

- PHA's Moving to Work Demonstration Agreement between PHA and the U.S. Department of Housing and Urban Development; and
- PHA Annual Plan.

To the extent not superseded by the above authorities, the following regulations apply:

- 24 CFR Part 5: General Program Requirements;
- 24 CFR Part 8: Nondiscrimination;
- 24 CFR Part 35: Lead-Based Paint; and
- 24 CFR Part 982: Section 8 Tenant Based Assistance: HCV Program.

1.6 MTW – Simplification and Streamlining of Processes

PHA may adopt and implement any reasonable policies for setting rents for public housing, or rents or subsidy levels for tenant-based assistance, notwithstanding the U.S. Housing Act of 1937. PHA will submit the proposed policies to HUD annually and upon any material change. Prior to PHA to submission to HUD, PHA will ensure that:

1. PHA's Board approves the policies, including related impact analyses;
2. PHA will periodically reevaluate its rent and subsidy level policies, including preparing a revised impact analysis;
3. PHA has adopted a policy for addressing hardship cases and has included a transition period for rent increases to existing tenants; and
4. PHA holds a public hearing regarding the policy.

Rent policies, or any material changes to the rent policies will be effective upon HUD and board approval.

1.6.1 MTW and Non-MTW Policies

Policies that are adopted by PHA, under the MTW Agreement, are specifically noted in the Plan as MTW policies. Where a Plan policy relates to MTW and Non-MTW programs, the policy citation will not state MTW or Non-MTW. Finally, where regulatory citations are specifically identified in this Plan, if a corresponding MTW policy is in effect, the MTW policy will supersede the existing and applicable HUD regulatory citation.

1.6.2 Identifying MTW Policies

The following table reflects the MTW policies contained in PHA's Administrative Plan including the respective effective date for each policy initiative and modification.

Chapter	Heading/Topic	Effective Date
Chapter 1:OVERVIEW OF THE PROGRAM & PLAN	• **1.1 Moving to Work Demonstration**	
	• **1.6.1 MTW and Non-MTW Policies**	
Chapter 4:ELIGIBILITY	• **4.2.7 Elderly Person, Elderly Family and Near Elderly**	• 2004
Chapter 5:APPLICATION, WAIT LIST AND TENANT SELECTION	• **5.17 Income Targeting**	• 2002
Chapter 8: INCOME AND ADJUSTED INCOME	• **8-4 Streamlined Income Determination**	• 2017
	• **8-5 Full Time Student Income Exclusion**	• 2017
	• **8.7 Asset Income**	• 2005 • 2017
	• **8.12 Earned Income Disallowance**	• 2005
	• **8.16 Adjusted Income**	• 2005
	• **8.17.1 Working Family Deduction**	• 2005
	• **8.17.2 Dependent Deduction**	• 2005
	• **8.17.3 Elderly or Disabled Family Deduction**	• 2005
	• **8.17.4 Health Insurance Premium Deduction**	• 2005
	• **8.17.5 Medical Expense Deduction**	• 2005
	• **8.17.6 Disability Assistance Expense Deduction**	• 2005
	• **8.17.7 Child Care Expense Deduction**	• 2005
Chapter 9: FAMILY SHARE & SUBSIDY DETERMINATION	• **9.2 Total Tenant Payment**	• 2005
	• **9.4 Changes to Rent Simplification Approach**	• 2005 • 2017
Chapter 10:VERIFICATION	• **10.17 Verification of Assets**	• 2005 • 2017
	• **10.27 Verification of Student Status & Income**	• 2017
Chapter 12:RENT REASONABLENESS & CONTRACT RENT	• **12.2 Required Reasonable Rent Re-Determination**	• 2008

Chapter	Heading/Topic	Effective Date
Chapter 15: PAYMENT STANDARDS AND UTILITY ALLOWANCES	• **15.4 Changes in Payment Standards**	• 2008
	• **15.8 Exception Payment Standards**	• 2010 • 2017
	• **15.10 Utility Allowance Schedules**	• 2014
	• **15.11 Alternate Utility Allowance Program**	• 2013
	• **15.12 Applying Utility Allowance**	• 2009
Chapter 16: CONTINUED OCCUPANCY	• **16.3 Regular Recertification**	• 2005 • 2017
	• **16.16.1 Limits on Interim Recertification**	• 2005 • 2017
	• **16.16.2 Utility Allowance Schedule and Payment Standard at Interim Recertification**	• 2009
Chapter 17: MOVING WITH CONTINUED ASSISTANCE	• **17.2 Restriction on Moves**	• 2008
	• **17.3 Emergency Moves**	• 2008
	• **17.8 MTW Transfers**	• 2005
Chapter 18: PORTABILITY	• **18.2.3 Eligibility for Port-Out**	• 2013
	• **18.2.4 Financial Hardship Waiver for Port-Out (MTW)**	• 2013
Chapter 22: SPECIAL PROGRAMS AND ALLOCATIONS	• **22.13 Second Chance Initiative**	• 2016
Chapter 23: UNIT BASED PROGRAM	• **23.3 Owner Selection Procedures**	• 2010
	• **23.9 Assistance for Certain Unit Types**	• 2010
	• **23.12Cap on Number of UBV Units in Each Building**	• 2010
	• **23.22 Requirements for PHA-Owned Units**	• 2017
	• **23.24 Authorization for Use of SBWL**	• 2010
	• **23.27 Selection of UBV Program Participants**	• 2010
	• **23.35 Right to a Tenant Based Voucher**	• 2010
	• **23.47 Rent Limits**	• 2017

Chapter	Heading/Topic	Effective Date
	• **23.53.1 When Rent Reasonable Determinations are Required**	• 2008
	• **23.65 Shared-Housing Unit-Based Developments**	• N/A

CHAPTER 2: GENERAL POLICIES

2.1 Administrative Fee Reserve

PHA conforms to the requirements of the MTW Agreement with respect to maintenance of reserves.

2.2 Program Accounts and Records

PHA's practices and procedures are designed to safeguard the privacy of applicants and participating households.

PHA will maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits quick and effective auditing. Records will be in the form required by HUD, including requirements governing computerized or electronic forms of record keeping.

PHA will follow the record retention guidelines as stated in PHA's General Records Retention and Disposition Schedule for the Philadelphia Housing Authority. Records related to applicants and participants will be maintained for the term of the tenancy plus four years, including but not limited to:

- The HAP contract;
- The application;
- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and tenants;
- An application from each ineligible household and notice that the applicant is not eligible;
- HUD-required reports;
- Complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule;
- Unit inspection reports;
- A copy of the executed lease;
- Lead-based paint records;
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

2.3 Privacy Act Requirements

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, income information of applicants and participating households and other personally identifiable information of applicants and participating

households shall be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of federal, State, and local law.

Applicants and all adults in the household are required to sign a consent form, HUD-9886, Authorization for Release of Information, or other form approved by HUD. This form incorporates the Federal Privacy Act Statement and describes how the information collected may be used, and under which conditions HUD or PHA may release the information collected.

2.4 Upfront Income Verification (UIV) Records

PHA shall adhere to the security procedures for accessing and protecting EIV data through HUD's Enterprise Income Verification (EIV) system as required by HUD.

PHA shall adhere to the Department of Public Work's (DPW) security procedures for accessing and protecting Public Assistance data obtained through DPW's electronic data base.

PHA shall adhere to the United States Citizenship and Immigration Services (USCIS) security procedures for accessing and protecting citizenship data obtained through the SAVE electronic data base.

2.5 Criminal Records

Consistent with the limitations on disclosure of records, PHA will ensure that any criminal record received by PHA from a law enforcement agency and any records received with respect to sex offender registration from a State or local agency is:

- Maintained confidentially;
- Not misused or improperly disseminated; and
- Destroyed once the purpose(s) for which the record was requested has been accomplished, including expiration of the period for filing a challenge to a PHA action without institution of a challenge or final disposition of any such litigation.

PHA will retain a record of the screening, including the type of screening and the date performed.

In all cases where criminal record or sex offender registration information would result in denial or termination, PHA will notify the household in writing of the proposed adverse action and provide an opportunity to dispute the accuracy and relevance of the information before denial or termination action is taken. PHA will provide access to the record, upon request, to the applicant and the subject of the record.

Disputes must be submitted in writing. The household will be given ten (10) business days from the date of PHA notice, to dispute the accuracy and relevance of the information. If the household does not contact PHA to request an informal review/hearing within that ten (10) business day period, PHA will proceed with the denial or termination.

Should the household not exercise the right to dispute the result prior to any adverse action, the household still has the right to dispute through a court trial.

2.6 Medical/Disability Records

If an applicant requests a reasonable accommodation or other assistance related to a disability, PHA may request documentation necessary to verify the need for the accommodation. PHA shall not inquire about

the nature or severity of a person's disability or about a person's diagnosis or details of treatment for a disability or medical condition. PHA will redact, destroy or return any medical documentation that states the nature or extent of a person's disability or medical condition.

2.7 Special Requirements for Children with Environmental Blood Lead Level

If PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood-lead level, PHA will complete a risk assessment of the dwelling unit. The risk assessment will be completed in accordance with program requirements, and the result of the risk assessment will be provided to the owner of the dwelling unit. In cases where the Philadelphia Public Health Department has already completed a risk assessment, this information will be provided to the owner and the risk assessment will be deemed completed. PHA will maintain a copy of the Philadelphia Public Health Department risk assessment in the client file.

Within 30 days after receiving the risk assessment report from PHA, or the evaluation from the public health department, the owner is required to complete the abatement activities in accordance with the lead-based paint regulations. Following the 30 day time-frame, after notification from the owner that the work has been completed, PHA will send an outside agency to conduct a clearance test to ensure abatement of the lead-based paint hazards. If the owner does not complete the abatement activities as required, the dwelling unit is in violation of HQS and PHA will take action in accordance with regulatory requirements.

2.8 Electronic Signatures& Scanned Documents

Electronic records and signatures carry the same weight and legal effect as traditional paper documents and handwritten signatures. PHA will not deny the legal effect or enforceability of a document solely because it is in electronic form. (Electronic Signatures in Global and National Commerce Act (ESIGN, 2000) and the Uniform Electronic Transactions Act (UETA, 1999).

PHA will accept scanned documents to verify program information. If at any time, PHA has reason to believe that documents have been altered or contain fraudulent information, PHA may request additional documentation to verify program information.

CHAPTER 3: FAIR HOUSING & EQUAL OPPORTUNITY

3.1 Introduction

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

3.2 Non-Discrimination

PHA treats all applicants and clients equally, providing the same quality of service, regardless of household characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and/or disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. PHA will comply with all applicable federal, State, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964;
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988);
- Executive Order 11063;
- Section 504 of the Rehabilitation Act of 1973;
- The Age Discrimination Act (ADA) of 1975;
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern);
- Violence Against Women Reauthorization Act of 2013(VAWA); and
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012.

When more than one civil rights law applies to a situation, the laws will be read and applied together; and any applicable state laws or local ordinances and any legislation protecting individual rights of participating households, applicants, or staff that may subsequently be enacted.

PHA will not discriminate on the basis of gender identity, marital status or sexual orientation.

PHA will not use any of the household characteristics or background described above to:

- Deny to any household the opportunity to apply for housing, nor deny any qualified applicant the opportunity to participate in the housing choice voucher program;
- Provide housing that is different from that provided to others;
- Subject anyone to segregation or disparate treatment;

- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
- Treat a person differently in determining eligibility or other requirements for admission;
- Steer an applicant or client toward or away from a particular area based any of these factors;
- Deny anyone access to the same level of services;
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- Discriminate in the provision of residential real estate transactions;
- Discriminate against someone because they are related to or associated with a member of a protected class; or
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

3.3 Providing Information to Families and Owners

PHA takes steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, PHA provides information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability.

3.4 Privacy

Information that is obtained directly from applicants/clients or from those persons authorized by the applicant/client will be used or disclosed only for purposes relating directly to the administration of the HCV program. All information considered “private data on individuals” under the Pennsylvania Government Data Practices Act will be handled in compliance with that law.

All applicants/clients are required to complete and sign the HUD Authorization for Release of Information or other approved document, which incorporates the Federal Privacy Act Statement and delineates the terms and conditions for release of household information by HUD and/or PHA. PHA’s policy regarding release of information is in accordance with State and local laws that may restrict the release of household information.

Information documenting the need for a reasonable accommodation will be kept in a separate folder and marked "confidential". The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. Any information received that contains an individual’s specific diagnosis, information regarding the individual’s treatment, and/or information regarding the nature or severity of a person’s disability will be destroyed or returned to the household member. It will not be kept in a separate folder. All requests for access and related review of accommodation requests will be received and determined by PHA staff person assigned to review and make determinations on reasonable accommodations or by the HCV program designee.

PHA's practices and procedures are designed to safeguard the privacy of applicants and participating households. All applicant and household files will be stored in a secure location only accessible by authorized staff.

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

3.5 Discrimination Complaints

Applicants or households that believe they have been subject to unlawful discrimination may notify PHA in writing. PHA will attempt to remedy discrimination complaints made against PHA.

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

3.6 Policies Related to Persons with Disabilities

PHA strives to ensure that persons with disabilities have full access to PHA's programs and services. This responsibility begins with the first inquiry of an interested household and continues through every programmatic area of the HCV program.

PHA will ask all applicants and clients if they require any type of accommodations, in writing, on the intake application, recertification documents, and notices of adverse action by PHA, by including the following language:

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

If a person requests an accommodation, PHA may need to verify that the person is a qualified individual with a disability, and must determine whether an accommodation is necessary to provide the individual with an equal opportunity to participate in the HCV program. A person who does not meet the definition of disability is not entitled to a reasonable accommodation.

3.6.1 Definition of Disability

A person with a disability is any person who:

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

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

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

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

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

3.6.2 Person with Disabilities Does Not Include

The definition of a person with disabilities does not include:

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

3.6.3 Verification of Disability

When verifying a disability, PHA will follow its policies on verification. All information related to a person’s disability will be treated in accordance with the privacy policies in this plan. In addition to the general requirements that govern all verification efforts, the additional verification requirements for verifying disability are discussed in the chapter on Verification.

3.6.4 Denial or Termination of Assistance – Families with Disabled Household Members

PHA’s decision to deny or terminate the assistance to a household that includes a person with disabilities is subject to consideration of reasonable accommodation.

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

When a household’s assistance is terminated, the notice of termination will inform them of PHA’s informal hearing process and their right to request a hearing and reasonable accommodation.

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

3.7 Reasonable Accommodation

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

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

3.7.1 Types of Reasonable Accommodations

When requested, PHA will make reasonable accommodations to modify normal procedures to accommodate the needs of a person with disabilities. Examples include but are not limited to:

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

3.7.2 Request for an Accommodation

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

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

If the need for the accommodation is not readily apparent or known to PHA, the household must explain the relationship between the requested accommodation and the disability. There must be an identifiable

relationship, or nexus, between the requested accommodation and the individual's disability. PHA may request verification necessary to determine the need for or type of accommodation.

All requests for access and related review of accommodation requests will be received and determined by PHA staff person assigned to review and make determinations on reasonable accommodations or the HCV program designee.

3.7.3 Approval or Denial of a Requested Accommodation

PHA will approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability;
- There is a disability-related need for the accommodation; and
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on PHA, or fundamentally alter the nature of PHA's Public Housing operations (including the obligation to comply with its MTW Agreement and applicable HUD requirements and regulations).

Requested accommodations will not be approved if one of the following would occur as a result:

- A violation of State and/or federal law;
- A fundamental alteration in the nature of PHA housing program;
- An undue financial and administrative burden on PHA;
- A structurally infeasible alteration; or
- An alteration requiring the removal or alteration of a load-bearing structural member.

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of PHA at the time of the request, the benefits that the accommodation would provide to the household , and the availability of alternative accommodations that would effectively meet the household 's disability-related needs to the extent applicable to HCV (Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act).

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

After a request for an accommodation is presented, PHA will respond, in writing, in a timely fashion.

If PHA denies a request for an accommodation because there is no relationship found between the disability and the requested accommodation, the notice will inform the household of the right to appeal PHA's decision through an informal hearing (if applicable).

If PHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of PHA's operations), PHA may review with the household alternative accommodations which could effectively address the household's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If PHA believes that the household has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, PHA will notify the household, in writing, of its determination in a timely fashion. The notice will inform the household of the right to appeal PHA's decision through an informal hearing.

3.7.4 Right to Appeal/Informal Hearing Process for Reasonable Accommodation

HCV program applicants or clients may file a complaint in accordance with PHA's Informal Hearing Policy following a formal determination by PHA's Section 5O4/ADA Coordinator denying a reasonable accommodation. Persons with disabilities may also request reasonable accommodations to participate in the PHA Informal Hearing process and PHA will consider such accommodation.

3.8 Program Accessibility for Persons with Hearing or Vision Impairments

HUD regulations require PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to PHA's programs and services [24 CFR 8.6]. At the initial point of contact with each applicant, PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

3.9 Physical Accessibility

PHA complies with the applicable requirements pertaining to physical accessibility, including the following:

- Notice PIH 2010-26;
- Section 504 of the Rehabilitation Act of 1973;
- The Americans with Disabilities Act of 1990;
- The Architectural Barriers Act of 1968; and
- The Fair Housing Act of 1968, amended.

PHA's policies concerning physical accessibility are readily available to applicants and households. They can be found in the following documents:

- This policy, the Administrative Plan, describes the key policies that govern PHA's responsibilities with regard to physical accessibility;
- PIH Notice 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funding housing programs; and
- PHA's MTW Plans.

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

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

Reasonable modifications are subject to the following:

- The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises.

- The owner may not increase a customarily required security deposit. However, the owner may negotiate a restoration agreement that requires the household to restore the unit and, if necessary to ensure the likelihood of restoration, may require the household to pay a reasonable amount into an interest-bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the household.

- The owner may require reasonable assurances from the household that the quality of the work will be acceptable and that any required building permits will be obtained.

- Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the Uniform Federal Accessibility Standards (UFAS) and the ADA Accessibility Guidelines (ADAAG)

- Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to PHA for review.

3.10 Improving Access for Persons with Limited English Proficiency

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

PHA will follow the requirements as set forth in its Limited English Proficiency policy ensuring that affirmative steps are taken to communicate with people who need services or information in a language other than English. Individuals may refer to PHA's Limited English Proficiency policy for specific information regarding interpreter services.

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Administrative Plan, LEP persons are HCV applicants and clients, and parents and household members of applicants and clients.

In order to determine the level of access needed by LEP persons, PHA will balance the following four factors:

- The number or proportion of LEP persons eligible to be served or likely to be encountered by the HCV program;

- The frequency with which LEP persons come into contact with the program;

- The nature and importance of the program, activity, or service provided by the program to people's lives; and

- The resources available to PHA and costs.

Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on PHA.

3.11 Outreach

It is PHA's policy to encourage the participation of owners in the HCV program and to make the HCV program known and available to serve the needs of income-eligible families. To ensure the availability of qualified applicants on the waiting list, on an as needed basis, PHA will publicize and disseminate information to make known the availability of housing assistance and related services for income-eligible families. In addition, PHA will make a concerted effort to keep private owners informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to owners.

PHA may undertake the following actions to expand housing choices and reduce concentrations of poverty and assisted units:

- Conduct monthly landlord fairs to recruit new owners to the program, including owners from underrepresented areas with few or no assisted units;

- Provide voucher holders with information on their right to move to any jurisdiction in the country that operates a HCV program. This includes detailed information on how portability works, contact names in other jurisdictions and other relevant information;

- During briefing sessions, PHA will provide maps showing housing opportunity areas outside of concentrations of poverty, minorities and/or assisted housing. This will also include, as available, information on transportation, job opportunities, schools and other services in these areas;

- Provide voucher holders with a list of owners willing to lease properties (including, as available, owners in non-impacted areas) and a list of fair housing and other organizations that can help find suitable housing in non-impacted areas; and

- Monitor lease-up activity and evaluate as appropriate the feasibility of exception payment standards within the jurisdiction to promote housing choice and deconcentration.

PHA will perform outreach to households that qualify for HCV program assistance. Outreach will include print advertising and coordination with service providers such as community-based organizations, private housing owners and public and private homeless shelter operators. Outreach activities will be performed in English and in other languages as deemed necessary by PHA. PHA will publicize the opening of the waiting list in a newspaper of general circulation and in minority media and will provide information to applicants/clients concerning the availability of housing and related services. Briefing sessions for new clients will include the following information related to outreach:

- An explanation of the advantages of moving to areas that do not have a high concentration of poor families for families currently living in high poverty census tracts;

- An explanation of portability procedures for families that qualify to rent units either inside or outside PHA's jurisdiction;

- Briefing materials which include portability procedures;

- If the household includes a disabled individual, briefing materials will be available which include a current listing of accessible units which are known to PHA and information related to exception rents for disabled individuals;

- A list of owners or other parties known to PHA who may be willing to lease a units to families, or help families find units; and

- Other information relevant to program requirements.

Owner Outreach: PHA will encourage the owners of housing units in the City to provide safe, decent and sanitary housing to HCV program clients. Special emphasis will be placed on outreach to owners who have units in areas that do not have high poverty concentrations. PHA will provide written materials and conduct outreach activities in an effort to recruit owners outside of areas of low income and minority concentrations.

3.12 Violence Against Women Act Protections

PHA has revised its policy in accordance with the recently reauthorized Violence Against Women Act ("VAWA") in order to provide safety and structure to victims of domestic violence, dating violence, sexual assault, and stalking. VAWA protects the following:

- Assisted Housing Residents – any individual living in a federally-subsidized dwelling established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

- Immigrants

- Lesbian, Gay, Bisexual, or Transgendered (LGBT) Individuals

- College Students – an individual enrolled either part- or full-time at college or university

- Youth – a person who is 11 to 24 years old.

3.12.1 Definitions as Used in the Violence Against Women Act

The definitions applicable to the Violence Against Women Act (VAWA) are the following:

Domestic Violence: Felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating Violence: Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim and the existence of such a relationship is determined based on the following factors: length of the relationship; type of relationship; and frequency of interaction between the persons involved in the relationship.

Sexual Assault: Any non-consensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking: Engaging in a course of conduct directed at a specific person causing a reasonable person to fear for his or her safety or the safety of others or suffer substantial emotional distress.

Affiliated Individual: With respect to an individual, as a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis, or an individual who has guardianship over another individual who is not a minor, or an individual who has guardianship over another

individual who is not a minor, or any individual, tenant or lawful occupant living in the household of that individual.

3.12.2 Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking

Applicants who otherwise qualify for assistance or admission will not be denied admission on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. VAWA does not limit PHA's authority to deny assistance to an individual or household that is not otherwise qualified or eligible for assistance.

3.12.3 Prohibition Against Termination of Assistance Related to Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking

Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a tenant's family or any guest or other person under the tenant's control will not be the basis for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's household is the victim or threatened victim of that domestic violence, dating violence, sexual assault or stalking.

Incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be construed either as serious or repeated violations of the Lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

Notwithstanding the foregoing, PHA may exercise its authority to terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against household members or others without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.

PHA may exercise its discretion to terminate the assistance of a tenant or lawful occupant who perpetrates such violence against victims or affiliated individuals by removing them from the household composition. The victim and PHA do not have to wait for an owner to bifurcate the lease for PHA to offer continued assistance for the unit (where the victim is planning to stay in the unit.) Further, PHA retains its authority to terminate the assistance of any tenant if PHA concludes that there is an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not terminated from assistance. VAWA does not limit PHA's authority to deny or terminate assistance to an individual or family that is not otherwise qualified or eligible for assistance.

PHA may terminate a tenant's assistance for any violation of the Lease and eviction from the unit ***not*** premised on the kinds of violence described above, as long as PHA refrains from subjecting a victim of domestic violence, dating violence, sexual assault, or stalking to a more demanding standard than applied to other tenants facing termination of assistance. VAWA does not limit PHA's authority to deny or terminate assistance to an individual or family that is not otherwise qualified or eligible for assistance.

Notwithstanding the protections provided to tenants under VAWA, PHA will:

- Comply with court orders that address the rights of access to or control of property, including civil protection orders issued to protect victims of domestic violence, dating violence, sexual assault, and stalking; and

- Comply with court orders that address the distribution or possession of property among members of a household.

In the event PHA terminates assistance to an individual by removing them from the household composition, PHA will refrain from penalizing the victim of such criminal activity who is a tenant or lawful occupant. PHA will also provide any remaining family members an opportunity to establish eligibility for continued occupancy, if the individual removed from the household composition was the sole tenant eligible for housing assistance. Tenants will have 30 calendar days from the date of the removal of the individual to establish eligibility.

This policy permits PHA to provide emergency transfer vouchers to victims of domestic violence, dating violence, sexual assault and stalking if the tenant expressly requests the transfer and the tenant reasonably believes that he/she is threatened with imminent harm from further violence if the tenant remains in the unit. In the case of a tenant who is the victim of sexual assault, an emergency transfer may be provided if the individual reasonably believes there is a threat of imminent harm from further violence if they remain in their unit OR if the individual reasonably believes there is a threat of imminent harm from further violence if they remain in their unit OR if the sexual assault occurred on the premises during the 90 day period preceding the request for a transfer.

3.12.4 VAWA Self-Petitioners

PHA will review non-citizen applicant or resident requests for admission or continued assistance as a result of being a self-petitioner under the Violence against Women Reauthorization Act of 2013.A VAWA Self-Petitioner is a non-citizen applicant or tenant who claims to be a victim of “battery or extreme cruelty”, which includes domestic violence, dating violence, sexual assault and stalking perpetrated by their spouse or parent, who is a citizen or lawful permanent resident PHA will review non-citizen applicant or resident requests for admission or continued assistance as a result of being a self-petitioner under the Violence against Women Reauthorization Act of 2013. A VAWA Self-Petitioner may indicate that they have is someone who claims to be a victim of “battery or extreme cruelty,” i.e., victims of domestic violence, dating violence, sexual assault, or stalking and who indicates that they have “satisfactory immigration status, though PHA has not yet verified that his/her satisfactory immigration status. Satisfactory immigration status means an immigration status which does not make the individual ineligible for financial assistance. A VAWA Self-Petitioner may submit an I-360 VAWA Self Petition, an I-130 Family-Based VISA Petition or a USCIS Form 1-797 to demonstrate a claim of satisfactory immigration status. When an I-360 VAWA Self Petition, an I-130 Family-Based VISA Petition or a USCIS Form 1-797 is submitted, PHA may not request any additional information from the VAWA Self-Petitioner other than what is required to complete the verification. When a VAWA self-petitioner uses the Family Based VISA petition to satisfy immigration status, upon verification of the Family Based VISA petition, PHA will require the petitioner to submit evidence of battery or extreme cruelty.

PHA may provide assistance to a non-citizen, applicant VAWA self-petitioner while PHA verifies his/her eligible immigration status. Additionally, PHA may provide continued assistance to the non-citizen participant VAWA petitioner during the time that PHA verifies his/her eligible immigration status. Housing assistance and all other VAWA protections will be granted to the VAWA Self-Petitioner applicant or tenant throughout the verification process until a final determination of lawful permanent residency can be made.

If PHA later determines that the VAWA Self-Petitioner does not have eligible immigration status, PHA will notify the individual and take action to terminate assistance. PHA will also inform the individual of local agencies that provide domestic violence and immigration support services.

3.12.5 PHA Confidentiality Requirements – VAWA

PHA will keep confidential any information that the tenant submits in connection with VAWA protections, including keeping confidential the location of a new dwelling unit, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault or stalking against the tenant. PHA will maintain the confidentiality of the tenant’s new location in the event the tenant receives an emergency transfer related to VAWA protections.

PHA will not disclose or release or enter into any shared database any personally identifying information or individual information collected in connection with VAWA protections requested or denied except to the extent that the disclosure is:

- Requested or consented to by the individual in a time- limited release writing;
- Required for use in a termination proceeding or hearing; or
- Otherwise required by applicable law.

If disclosure is required for use in a termination proceeding or is otherwise required by applicable law, PHA will make reasonable attempts to provide notice to victims affected by the disclosure of information and will take steps necessary to protect the privacy and safety of the persons affected by the release of the information.

At the time the applicant is denied, PHA may share the following:

- Non-personally identifying data in the aggregate regarding services to their tenants and non-personally identifying demographic information in order to comply with Federal or State reporting, evaluation, or data collection requirements;
- Court-generated information and law enforcement-generated information containing insecure, governmental registries for protection order enforcement purposes; and
- Law enforcement-generated and prosecution-generated information necessary for law enforcement and prosecution purposes.

3.12.6 Notification to Applicants, Households& Owners Regarding Protections Under VAWA

PHA will provide notice to applicants and tenants in assisted housing of protections provided under VAWA, in multiple languages when necessary, at the following junctures:

- At the time the applicant is denied;
- At the time the individual is admitted to a unit in an assisting housing program;
- At every regular recertification;
- With any notification of eviction or notification of termination of assistance.

PHA acknowledges that a victim of domestic violence, dating violence, stalking, or sexual assault may have an unfavorable history (i.e., a poor credit history, non-payment of rent as a Public Housing tenant, a record of previous damage to an apartment/Public Housing unit, a prior/current conviction) that would warrant denial or termination under PHA's policies. Therefore, if PHA makes a determination to deny admission to an applicant or to terminate assistance to a resident, PHA will include in its notice of denial/termination:

- A statement of protections provided by VAWA;
- A description of PHA confidentiality requirements; and

A request that an applicant/head of household wishing to claim this protection submit to PHA documentation meeting the specifications outlined in this Admin Plan or a request for an informal hearing or grievance hearing, whichever is applicable

PHA will provide VAWA information to owners which will consist of the VAWA notice provided to applicants and participating households and the form HUD-5382.

3.12.7 Victim Documentation

PHA will require that an applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking provide documentation of such claim, including:

- Demonstrating the connection between the abuse and the unfavorable history; and
- Naming the perpetrator of the abuse if it is safe to provide the name and if it is known to the victim.

When a family is facing assistance termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a client or affiliated individual of the tenant's household claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, PHA will require the individual to submit documentation affirming that claim.

Tenants may provide **one** of the following to demonstrate that they should receive protections under VAWA:

- A certification form approved by PHA that states that the applicant or tenant is a victim of domestic violence, dating violence, stalking, or sexual assault, that the incident of domestic violence, dating violence, stalking, or sexual assault is grounds for VAWA protections and that includes the name of the individual who committed the domestic violence, dating violence, sexual assault or stalking, if the name is known and safe to provide; or,
- A completed HUD VAWA Certification Form 5382 that describes how the assistance termination relates to the acts of violence defined in this chapter; or,
- A Federal, State, tribal, territorial, local police record, court record or administrative agency record; or,
- Documentation signed by the applicant or tenant AND an employee or representative of a victim services provider, or social services provider, or an attorney, school personnel, or medical professional, from whom the victim has sought assistance as a result of the abuse, in which the professional attests under penalty of perjury that the applicant or tenant believes that the incident/abuse is grounds for protection under VAWA.

Individuals or families claiming that they are a victim of domestic violence, dating violence or stalking may obtain a HUD VAWA Certification Form 5382 from designated PHA locations.

3.12.8 Time Frame for Submitting Documentation

If an applicant for, or tenant of, PHA housing represents to PHA that they are entitled to protections under VAWA, PHA shall request in writing that the applicant submit a form of documentation as described above. The tenant must submit the required certification and supporting documentation to PHA within fourteen (14) business days after PHA has requested in writing the documentation from the applicant/tenant. The14-day deadline may be extended at PHA's discretion. If the individual does not provide the required certification and supporting documentation within fourteen (14) business days of PHA's written request, or within the approved extension period, PHA may proceed with denial or termination of assistance.

If PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant's tenancy is not terminated, PHA will bypass the standard process and proceed with the immediate termination of the family's assistance.

3.12.9 Perpetrator Documentation

If the perpetrator of the abuse is a member of the applicant/resident household, the applicant/Head of Household must provide additional documentation consisting of a signed statement requesting that the perpetrator be removed from the application or household.

Perpetrator documentation must be submitted to PHA within the same timeframe as victim documentation.

3.12.10 Terminating Assistance of a Domestic Violence Offender

This section does not provide protection for perpetrators of domestic violence, dating violence, sexual assault or stalking. PHA may terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against household members or others without terminating assistance to, or otherwise penalizing, the victim of such violence who is also a tenant or lawful occupant. This authority supersedes any local, State, or other federal law to the contrary. However, if PHA chooses to exercise this authority, PHA will follow any procedures prescribed by HUD or by applicable local, State, or federal law regarding termination of assistance.

When the actions of a client or other household member result in a decision to terminate the household's assistance and another household member claims that the actions involve criminal acts of physical violence against household members or others, PHA will request that the victim submit the required certification and supporting documentation in accordance with the stated timeframe. If the certification and supporting documentation are submitted within the required timeframe, or any approved extension period, PHA will terminate the offender's assistance. If the victim does not provide the certification and supporting documentation, as required, PHA will deny relief for protection under VAWA and proceed with termination of the household's assistance.

If PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the client's tenancy is not terminated, PHA will bypass the standard process and proceed with the immediate termination of the household's assistance.

3.12.11 Transfers and Portability Under VAWA

PHA may provide a transfer voucher and allow a household to move in violation of its lease if the household has complied with all other obligations of the voucher program and has moved out of the assisted unit in order to protect the health or safety of a tenant or affiliated individual who is or has been the victim of domestic violence, dating violence, stalking or sexual assault and who reasonably believes that he or she is imminently threatened by harm from further violence if he or she remains in the assisted unit. See PHA's Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking which is attached as an appendix to this Plan.

3.12.12 Response to Conflicting Certification

In cases where PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, PHA may determine which is the true victim by requiring third-party documentation from each member as described in this Plan. Third-party documentation to substantiate the occurrence of a VAWA-

related offense must be submitted within 30 calendar days. PHA shall honor any court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim or to address the distribution or possession of property among the household.

3.12.13 Remedies Available to VAWA Victims

Notwithstanding any federal, State, or local law to the contrary, PHA may remove a household member from the household composition without regard to whether the household member is a signatory to the lease, in order to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against household members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is a tenant or lawful occupant. Such termination of assistance shall be affected in accordance with the procedures prescribed by federal, State, or local law for termination of assistance under the Section 8 HCV and Section 8 Project-Based programs. Tenants who remain in the household after a perpetrator is removed from the household composition, who have not already established eligibility for housing assistance will be given at least 30 calendar days from the date of the removal of the perpetrator or until the expiration of the lease in order to establish eligibility for housing assistance or to find alternative housing.

3.12.14 VAWA Record Retention

PHA will retain a record of all VAWA emergency transfer requests and outcomes for a period not less than three years. PHA will follow HUD reporting requirements regarding VAWA emergency transfer requests and outcomes.

CHAPTER 4: ELIGIBILITY

4.1 Overview

Every individual and family admitted to the HCV program must meet all program eligibility requirements. This includes any individual approved to join a family after the family has been admitted to the program. Families must provide any information needed by PHA to confirm eligibility and determine the level of the family's assistance.

PHA will consider the following when determining eligibility and suitability for the HCV program:

The applicant family must:

- Qualify as a family as defined by PHA;
- Have income at or below specified income limits;
- Qualify on the basis of citizenship or the eligible immigrant status of family members;
- Provide Social Security Number information for all family members as required;
- Consent to PHA's collection and use of family information as provided for in PHA-provided consent forms; and
- Provide all required documents.

PHA will determine that the current or past behavior of household members does not include activities that are prohibited by PHA.

If a family is deemed ineligible or unsuitable for admission, the family will be removed from the waiting list.

4.2 Definitions

4.2.1 Family and Household

- Family - Applicants must qualify as a "Family" as defined in 24 CFR part 5.403. Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
    - A single person, who may be an elderly person, displaced person, disabled person, near-elderly; or
    - person, or any other single person; or
    - A group of persons residing together, and such group includes, but is not limited to:
        - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
        - An elderly family;
        - A near-elderly family;
        - A disabled family;
        - A displaced family; and
        - The remaining member of a tenant family.

Gender Identity means actual or perceived gender characteristics.

Sexual Orientation means homosexuality, heterosexuality, or bisexuality.

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

Household
Household is a broader term that includes additional people who, with PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

4.2.2 Head of Household

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

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

4.2.3 Spouse, Co-head and Other Adult

A family may have a spouse or co-head, but not both. Spouse means the marriage partner of the head of household.

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

- A co-head is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head. Minors who are emancipated under state law may be designated as a co-head.

- Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

4.2.4 Interdependent Relationship or Domestic Partnership

To claim an interdependent relationship or domestic partnership, individuals must demonstrate and certify that each individual's income and other resources will be available to meet the needs of the family and that the family otherwise comprises a "housekeeping unit," meaning the individuals share expenses, household chores, household shopping responsibilities, and other common household activities. An interdependent relationship/domestic partnership may exist regardless of actual or perceived sexual orientation, gender identity, or marital status.

An interdependent relationship or domestic partnership is defined as a committed relationship between two adults, in which the partners:

- Maintain a common residence, and intend to continue to do so (or would maintain a common residence but for an assignment abroad or other employment-related, financial, or similar obstacle);
- Are at least 18 years of age and mentally competent to consent to contract;
- Share responsibility for a significant measure of each other's financial obligations;
- Are not the domestic partner of anyone else;
- Are willing to certify, if required by the agency, that they understand that willful falsification of any documentation required to establish that an individual is in a domestic partnership may lead to disciplinary action and the recovery of the cost of benefits received related to such falsification,

4.2.5 Dependent

A dependent is a family member who is:

- Either under 18 years of age;
- A person of any age who is a person with a disability; or
- A full-time student.

The following persons can **never be dependents**:

- The head of household;
- Spouse;
- Co-head;
- Foster children;
- Foster adults; and
- Live-in aides.

4.2.6 Full-time Student

A full-time student (FTS) is a person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended).

4.2.7 Elderly Person, Elderly Family and Near Elderly

Non-MTW Policy:

- Elderly Person: An elderly person is a person who is at least 62 years of age.
- Elderly Family: An elderly family is one in which the head, spouse, co-head, or sole member is at least 62 years of age.

- Near-Elderly Person: A near-elderly person is a person who is at least 50 but below the age of 62.
- Near-Elderly Family: A near-elderly family is one in which the head, spouse, co-head or sole member is at least 50 but below the age of 62.

MTW Policy

- Elderly Persons: An elderly person is a person who is at least 55 years of age.
- Elderly Family: An elderly family is one in which the head, spouse, co-head, or sole member is at least 55 years of age.
- Near-Elderly Person: A near-elderly person is a person who is at least 50 but below the age of 55.
- Near-Elderly Family: A near-elderly family is one in which the head, spouse, co-head or sole member is at least 50 but below the age of 55.

4.2.8 Persons with Disabilities and Disabled Family

- Persons with Disabilities: Under the HCV program, special accommodations are available to persons with disabilities and to any family whose head, spouse, or co-head is a person with disabilities. A person with disabilities is someone who has a mental or physical impairment that substantially limits one or more major life activities; has a record of such impairment, or is regarded as having such impairment. The term does not include any individual who is an alcohol or drug user whose current use of alcohol or drugs prevents the individual from participating in the HCV program, or whose participation, by reason of the current alcohol or drug abuse, would constitute a threat to property or the safety of others.
- Disabled Family: A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities.

4.2.9 Multiple Families in the Same Household

When a family that consists of two families living together applies, such as a mother and father, and a daughter with her own husband or children, if they apply as a family unit, they will be treated as a family unit.

4.2.10 Foster Children and Foster Adults

- A foster child is a child who is in the legal guardianship or custody of a State, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short- or long-term foster care arrangement with the custodial agency.
- A foster adult is usually a person with disabilities, unrelated to the tenant family, who is unable to live alone.
- Foster children and foster adults who are living with an applicant or assisted family are considered household members, but not family members. Foster children/adults do not qualify for a dependent deduction. (See policies on **8-6 Income of Foster Children and Foster Adults** in the chapter on Income.)

- PHA will not approve the addition of a foster child or foster adult if it will result in the need for a larger unit, according to PHA occupancy standards or a violation of HQS space standards.

4.2.11 Live-In Aide

Live-in aide means a person who resides with one or more elderly persons or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

PHA will approve a live-in aide if needed as a reasonable accommodation, to make the program accessible to and usable by the family member with disabilities.

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

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly or disabled family member. PHA may request additional documentation from the knowledgeable provider in order to determine the outcome of the request for a live-in aide.

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

If approved as part of a reasonable accommodation, PHA will only allow family members of live-in aides to reside in the unit if the addition of the live-in aide's family members does not result in an under housed situation as determined by PHA's occupancy standards. For example if a live-in aide has a daughter, the live-in aide's daughter may reside in the unit, provided the daughter shares the bedroom with her mother or another household member.

PHA will apply the same screening criteria used for determining initial and continued eligibility/suitability for applicants and tenants when determining approval/disapproval of a particular person as a live-in aide. These criteria include, but are not limited to, disapproval of admission if the person:

- Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Is subject to a lifetime registration requirement under a State Sex offender registration program;
- Committed drug-related criminal activity or violent criminal activity; or
- Currently owes rent or other amounts to PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Live-in aides who are unauthorized occupants in the unit will not be considered. PHA will review and approve a request for a live-in aide but will not allow an unauthorized occupant in the unit to be the live-in aide.

4.2.12 Veteran

A veteran is a person who served in the active military (Army, Navy, Air Force, Marines or Coast Guard, Reservists and/or National Guard) and who was discharged or released from such service under conditions other than dishonorable. PHA may request discharge documentation to verify honorable discharge.

4.3 Joint Custody of Children

See **CHAPTER 6:OCCUPANCY STANDARDS** for policy information related to determining family member status when joint custody arrangements exist.

Dependents that are subject to a joint custody arrangement will be considered a member of the family if the dependent lives with the applicant or client family 50 percent (at least 183 days/year) or more of the time. When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the admission or recertification will be able to claim the dependents. If there is a dispute about which family should claim them, PHA will make the determination based on available documents which may include but are not limited to court orders, school records and tax returns.

4.4 Caretaker of a Child

If neither a parent nor a designated guardian of a child residing in an HCV unit remains in a unit that is receiving assistance, PHA will take the following actions:

- If a responsible agency has determined that another adult is to be brought into the apartment to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

- If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker must provide documentation of a temporary or permanent custody arrangement. If the caretaker will have permanent custody and wishes to be considered a family member, the caretaker will be subject to PHA screening requirements, unless information is provided that would confirm that the caretaker's role is temporary. In such cases, PHA may in its reasonable discretion extend the caretaker's status as an eligible visitor.

- At any time that custody or guardianship has been legally awarded to a caretaker, the voucher will be transferred to the caretaker, as head of household, subject to meeting PHA's eligibility and suitability requirements. The caretaker must provide legal custody papers to verify legal guardianship.

- During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

4.5 Income Eligibility

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

- An extremely low-income family – A very low–income family whose income does not exceed the higher of 30 percent of AMI or the poverty level, adjusted for family size.

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

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

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multi-family housing homeownership) developments, or other HUD-assisted multi-family homeownership programs covered by 24 C.F.R. 248.173; or

- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 C.F.R. 248.101.

4.6 Continuously Assisted

PHA will consider a family to be continuously assisted if the family was leasing a unit under any MTW or 1937 Housing Act program at the time they were issued a voucher by PHA or if there is a break in assistance under any MTW or 1937 Housing Act program for a period of less than 30 days from the date of the screening appointment with PHA. This policy assumes that the break in assistance is not due to adverse termination and that the applicant has left the prior program in good standing.

4.7 Citizenship or Eligible Immigration Status

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

4.7.1 Declaration of Citizenship

Each family member must declare whether he/she is a citizen, a national, eligible non-citizen, or an individual who elects not to contend that they have eligible immigration status.

Those who elect not to contend their status are considered to be ineligible non-citizens.

The family must identify in writing any family members who elect not to contend their immigration status.

No declaration is required for live-in aides, foster children, or foster adults.

See **10.16** for policy related to **Verification of Citizenship/Eligible Immigration Status**.

4.7.2 U.S. Citizens and Nationals

Citizens and nationals are required to submit only a signed declaration as verification of their status. Family members who declare citizenship or national status will not be required to provide additional documentation unless PHA receives information indicating that an individual's declaration may not be accurate.

For citizens, the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors.

4.7.3 Eligible Non-Citizen

In addition to providing a signed declaration, those declaring eligible noncitizen status must provide documentation to confirm the claimed citizenship status and cooperate with PHA efforts to verify their immigration status.

The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

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

4.7.4 Ineligible Non-citizens

Ineligible non-citizens are those non-citizens who do not wish to contend their immigration status. PHA requires that non-citizens sign a certification attesting to their ineligible immigration status. PHA will not verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

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

4.7.5 Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible non-citizen. Families that include eligible and ineligible individuals are considered mixed families. Assistance to mixed families shall be prorated. Families will receive notice of determination as a mixed family. The notice will include the fact that assistance will be prorated and that the family may request a hearing if they contest this determination.

PHA will not provide assistance to a family before the verification of at least one family member as a citizen, national or non-citizen with eligible immigration status.

When PHA determines that an applicant family does not include any citizens, nationals, or eligible non-citizens, following the verification process, the family will be sent a written notice of ineligibility. The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and

Immigration Services (USCIS), or to request an informal hearing with PHA. The informal hearing with PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice will also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

4.7.6 Timeframe for Determination of Citizenship Status

For new applicants, PHA will ensure that evidence of eligible citizenship status is submitted no later than the date that PHA completes verification of other aspects of eligibility for assistance.

For new occupants joining the assisted family, PHA will verify citizenship status at the time of the request to add the household member.

If an individual qualifies for a time extension for the submission of required documents, PHA will grant such an extension for no more than 30 days.

Each family member is required to submit evidence of eligible status only one time during continuous occupancy. PHA will verify the status of applicants at the time when other eligibility factors are determined.

4.8 Social Security Numbers

- The applicant and all members of the applicant's household who are eligible to receive a SSN (those who contend eligible immigration status and US Citizens), must provide documentation of a valid Social Security Number (SSN) as part of the eligibility determination process. See policies on **Time Frame to Submit Documentation of SSN** for applicants.

- Tenants and all tenant household members who are eligible to receive a SSN (those who contend eligible immigration status and US Citizens), must provide documentation of a valid SSN (See policies on **Time Frame to Submit Documentation of SSN**) if the tenant/member has:

  - Not previously disclosed a SSN;

  - Previously disclosed a SSN that HUD or the SSA determined was invalid; or

  - Been issued a new SSN.

- New household members are required to provide documentation of a valid SSN before approval for occupancy in an existing PH household. See policies on **Time Frame to Submit Documentation of SSN** for policy on time frame to submit SSN documentation for adults and children under 6.

4.8.1 Required Documentation

See policies on
Verification of SSN and Date of Birth.

4.8.2 Persons NOT Required to Provide Documentation of a Valid SSN

- Individuals who do not contend eligible immigration status will NOT have a SSN to disclose. If otherwise eligible to participate in the program, the family should be admitted into the program or continue receiving assistance if at least one family member is a US Citizen or has eligible

immigration status. PHA will request an alternate HUD ID number for the household members who do not contend to have eligible immigration status and who are not US citizens/nationals.

- Individuals who have previously disclosed a valid SSN; and

- Tenants who are 62 years old or older as of January 31, 2010 and who have not previously disclosed a SS number, will not be required to provide documentation of a valid SSN. Exemption applies even upon a move within the program.

4.8.3 Time Frame to Submit Documentation of SSN

- Applicants will be required to provide a SSN on the pre-application form. Alternate arrangements will be made for applicants, during the pre-application process, who are not US Citizens or who do not have eligible immigration status.

- PHA will request verification of the SS number during screening for eligibility. PHA will defer the eligibility determination for a period of 60 days from the date of the screening appointment for families with members who are eligible to receive a SSN but who have not yet provided verification of their SSN. If after 60 days, required SS number documentation is not provided, PHA will deny assistance. This policy does not apply to family members under the age of 6 years who lack the documentation necessary to verify the SSN. See policy below for such family members.

- An applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of 6 years. PHA will allow the family a 90 day period to verify the SSN of the family member under the age of 6 years. An extension of one additional 90-day period must be granted if PHA determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant.

- PHA will provide alternate ID numbers for eligible families that include members who are not US Citizen or do not have eligible immigration status.

- Participants who contend eligible immigration status and who have not previously disclosed a valid SSN must do so at their next scheduled or interim recertification within 90 days of PHA's request. PHA may grant an additional 90-day period, if there are unforeseen circumstances beyond the family's control that prevent the family from complying with the SSN requirements or there is a reasonable likelihood that the participant will be able to disclose a SSN by the deadline.

- If a proposed new household member is an adult, PHA will not approve addition of the adult to the household until SSN documentation has been provided.

- If the proposed new member is a minor child and has no SSN documentation, PHA will allow the child to be added to the household; however SSN documentation must be provided within 90 days of the child being added to the household. PHA, at its own discretion, may give an additional 90 days if PHA determines that the participant's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant. During the period that PHA is awaiting documentation; the child shall be included as part of the tenant household and the child shall be entitled to all the benefits of being a household member. If upon expiration of the provided time period, including any extensions, the tenant fails to produce a SSN for the child, the family will be subject to the penalties for failure to disclose a SSN.

4.8.4 Penalties for Failure to Disclose SSN

Applicants:

- Denial of placement on the waiting list.
- Denial of eligibility
- Termination of assistance (for households who were admitted and failed to provide SSN documentation for a family member under 6 years of age)

Participants:

- Termination of assistance and tenancy

4.9 Photo ID

To ensure PHA has the ability to identify all persons 18 years of age or older (not just the head of household), all adult household members will be required to provide a current, government issued identification at admission, upon addition to a HCV household or upon turning 18. For example, if a household member turns 18 between regular recertifications, he or she must provide a government issued photo identification at the household's next regular recertification.

PHA reserves the right to request an updated photo ID after admission to the program to confirm legal identity.

As an accommodation for individuals with disabilities and elderly individuals, as well as for individuals with religious considerations, with prior PHA approval, PHA may accept other forms of identification to establish identity.

4.10 Required Documents

Applicants must provide birth certificates/proof of age/proof of birth for all household members. The family must supply any other information that PHA or HUD determines necessary to the administration of the program.

4.11 Family Consent to Release of Information

HUD requires each adult family member and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice or comparable form authorized by HUD. Additionally, family are required to sign other PHA consent forms as needed to collect information relevant to the family's eligibility and level of assistance. PHA will deny admission to the program if any member of the applicant family fails to sign and submit the consent forms which allow PHA to obtain information that PHA has determined necessary in the administration of the HCV program.

4.12 Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance. In order to eligible for the HCV program a student must meet the definition of "independent student". One or more of the following must apply:

a. The individual is 24 years of age or older by December 31 of the award year;

b. The individual is an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

c. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence;

d. The individual is a veteran of the U.S. Armed Forces or is currently serving active duty for other than training purposes;

e. The individual is a graduate or professional student;

f. The individual is married;

g. The individual has legal dependents other than a spouse;

h. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by a local educational agency homeless liaison; the director or designee of the director of a program funded under the Runaway and Homeless Youth Act, or of a program funded under Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act; or a financial aid administrator;

i. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Verification requirements to determine student independence include completing **all** of the following:

- Reviewing and verifying previous address information to determine evidence of a separate household or verifying the student meets the U.S. Department of Education's definition of *independent student.*

- Reviewing a student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student*.

- Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student.

- Financial assistance that is provided by persons not living in the unit is part of annual income, except if the student meets the Department of Education's definition of *independent student* in paragraphs b, c or h above. Students who meet the definition of independent student under paragraph b, c, or h are considered "vulnerable youth." Such determination is all that is necessary to determine a person is an independent student for purposes of using only the student's income for determining eligibility for Section 8 assistance.

4.13 Household Member Turning 18 Between Eligibility and Lease Up

Income & Deductions

When a family member will turn 18 between the date of eligibility and on or before the effective date of initial lease-up, PHA will include the family member's income in the calculation of annual income. For example, PHA completes an eligibility determination on November 1st. One of the family members is 17 at the time of screening and eligibility determination; however, the family finds a unit with a lease effective date of December 15th and this individual turns 18 on November 17th. PHA will then calculate the income of that family member as if he/she was an adult, since the family member will be 18 by the effective date of the lease. Deductions will also be applied as if the family member was an adult. For example, a family

member who is 17 at the time of eligibility determination, but 18 on the lease effective date, will NOT be given a dependent deduction unless that family member is a full time student or disabled.

Release Forms
When a household member will turn 18 between the date of eligibility determination, but on or before the effective date of lease-up, PHA will have a parent/legal guardian sign any consent/release forms on behalf of that household member in order to authorize PHA to obtain their income verification and count applicable income.

Criminal Background Check
When a household member will turn 18 between the date of eligibility determination, but on or before the effective date of lease-up, PHA will have a parent/legal guardian sign the consent for criminal background check on behalf of that household member in order to authorize PHA's criminal background check.

4.14 Eligibility Interview

Families selected from a waiting list(s) are required to participate in an eligibility interview which includes the completion of a full application.

If the family is unable to attend a scheduled interview, the family should contact PHA in advance of the interview to schedule a new appointment. If a family does not attend a scheduled interview, PHA will schedule a second (2nd) interview. If the family does not attend the 2nd scheduled interview, the family will be withdrawn from the waiting list(s). PHA will send a withdrawal notice. Such failure to act on the part of the applicant prevents PHA from making an eligibility determination; therefore, PHA will not offer an informal hearing.

All family members aged 18 and older are required to attend the application interview. Verification of information pertaining to adult members of the family not present at the interview will not begin until signed release forms are returned to PHA.

PHA must have documentation that substantiates why an applicant has been selected for eligibility determination. For example, for Special Housing Initiatives, PHA would need a copy of a MOU and transmittal identifying the applicant family as being eligible for referral by the agency/organization making the referral. Another example is that PHA would need proof of age for elderly families being screened for designated housing.

When applicable, selection criteria will be verified in accordance with the verification policy of this ACOP. If the basis for selection cannot be verified, the applicant will be returned to the waiting list, without the claimed selection criteria, retaining the same date and time of application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. All members of the household who are 18 years or older are required to sign the HUD Release of Information form or other release form acceptable to HUD, PHA's release of information form related to Police Record Check, the Declaration of Citizenship form and any other documents or forms required by PHA. In addition, applicants will be required to sign verification forms necessary to solicit income, family information, and utilities information. When a household member will turn 18 between the date of eligibility determination, but on or before the effective date of lease-up, PHA will have a parent/legal guardian sign any consent/release forms on behalf of that family member in order to authorize PHA to obtain their income verification and count applicable income.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within five (5) business days from the date of the request. If the family is unable to obtain the information or materials within the required time frame, PHA may provide a reasonable extension as

necessary. Applicants who fail to provide the required information within PHA established time frames (including any allowed extensions) will be withdrawn from the waiting list(s) based on the family's failure to supply information needed to determine eligibility. PHA will send the applicant a withdrawal notice. Such failure to act on the part of the applicant prevents PHA from making an eligibility determination; therefore, PHA will not offer an informal hearing.

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

Interviews will be conducted in English. For Limited English Proficiency (LEP) applicants, PHA will provide translation services in accordance with PHA's LEP plan as found in this ACOP.

4.15 Applicant Screening

PHA conducts applicant screening to evaluate the eligibility and suitability of families who apply to the HCV program. PHA may deny assistance to an applicant based on the screening of applicants for family behavior or suitability for tenancy.

No applicant to the HCV program who has been a victim of domestic violence, dating violence, stalking or sexual assault shall be denied admission into the program if they are otherwise qualified.

Debt, criminal background, sex offender and past and current behavior screening policies include basic screening information, reasons for mandatory and non-mandatory denial and mitigating factors. Mitigating factors will be considered for certain screening outcomes. Upon consideration of mitigating factors, PHA may, on a case-by-case basis, decide not to deny assistance. Director/Manager review and approval is required when admission is based on mitigating factors. Where mandatory and non-mandatory denials are discussed in this chapter, the denial is related to admission to the HCV Program.

Families are provided an opportunity to explain circumstances and/or provide additional information when appropriate. PHA provides applicants an explanation of the basis for any decision made by PHA pertaining to the applicant's eligibility and or suitability.

If a tenant is terminated and re-applies, the applicant (former tenant) will be subject to all PHA required screening elements to determine eligibility and suitability for the program.

4.16 PHA Public Housing Tenant Responsibility Screening Requirement

In addition to meeting other eligibility requirements, applicants who currently participate in Public Housing must provide documentation of their move-out notice prior to leasing an HCV and be in compliance with the Public Housing lease in order to be eligible for admission to the HCV program.

4.17 EIV Existing and Former Tenant Search

PHA will conduct EIV screening for new applicants. An EIV Existing Tenant Search will be conducted on minor and adult members of an applicant household and when adding an adult or minor to an existing household.

PHA will discuss with the applicant if the EIV Existing Tenant Search identifies that the applicant or a member of the applicant's household is residing at another federally subsidized housing location, giving the applicant the opportunity to explain any circumstances relative to his/her being assisted at another location.

PHA will follow up with the respective public housing agency or owner to confirm the individual's program participation status before admission, if necessary, depending on the outcome of the discussion with the applicant.

PHA will retain the search results with the application along with any documentation obtained as a result of contact with the applicant and the PHA and/or owner at the other location.

An EIV Former Tenant Search will be conducted on adult members of an applicant household and when adding an adult to an existing household. PHA will follow its policies on denial and termination of assistance when reviewing and acting on results of the EIV Former Tenant Search.

4.18 Debt Screening

PHA will conduct debt screening on all members 18 years old or older, including EIV and PHA debt screening.

Debt screening for prior debts owed to PHA will take place at the time of pre-application.

EIV debt screening for prior debts incurred during previous participation in a federally assisted housing program will be conducted at the time of eligibility screening.

For purposes of this section, “current” means amounts owed to PHA during the last 4 years or such other period for which the statute of limitations has not tolled in Philadelphia or other applicable jurisdiction. For example, if an applicant’s participation in an assisted program was ended in 2007 due to debts owed, and the applicant never repaid such amounts and applies for the HCV program in 2011, then a “current” debt is owed. If the applicant’s participation in an assisted program ended in 1985 for the same reason, that debt could not be considered “current” unless applicable law permitted.

PHA will consider debt that is not “current” (as defined above) as part of a history of non-payment and may deny admission to a household if there is other evidence of a history of non-payment and/or other eligibility factors, when taken as whole, that render a household ineligible for admission.

PHA will not conduct debt screening on VASH households.

4.18.1 Mandatory Denial

PHA will deny assistance to a family:

- If the family has current debt to PHA for amounts paid to an owner under a HAP contract for rent, amounts owed under the lease, damages to the unit or other amounts owed by the family to PHA and the amount is not fully repaid within 90 calendar days from the date the pre-application was submitted. The applicant will be denied and the family will not be entered on the waiting list;

- If the family has current debt to another PHA or judgment against them in connection with Section 8 or public housing assistance under the 1937 Act for amounts paid to an owner under a HAP contract for rent, damages to the unit or other amounts owed by the family under the lease and the amount is not fully repaid within 90 calendar days from the date of the screening appointment;

- If the family has breached a repayment agreement with PHA or another PHA in connection with Section 8 or public housing assistance under the 1937 Act, and the amount is not fully repaid within 90 calendar days from the date of the screening appointment.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following factors when considering denial of assistance related to debt screening:

- The seriousness of the case, especially with respect to how it would affect other residents.
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure.
- Circumstances which led to the creation of the debt, i.e. death of a household member, economy-related layoff.
- Current financial circumstances.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking.
- The length of time since the debt was incurred, the family's recent history and the likelihood of favorable conduct in the future.
- Evidence of the family's participation in or willingness to participate in social service or other appropriate counseling service programs.
- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.19 Criminal Background Screening

It is PHA's policy to conduct screening for drug abuse and other criminal activity 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 HUD. In conducting screening, PHA will comply with all applicable civil rights requirements contained in the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act and Titles II and II of the Americans with Disabilities Act of 1990 and other equal opportunity provisions listed in 24 CFR 5.105. Such screening will apply to any member of the household who is 18 years of age or older, including live-in aides.

PHA will ensure that adverse housing decisions based upon criminal activity are supported by sufficient evidence that the individual engaged in such activity. PHA uses convictions, not arrest records, to determine that an individual has engaged in criminal activity. PHA may deny admission based upon the conduct underlying an arrest if the conduct indicates that the individual is not suitable for tenancy and PHA has sufficient evidence other than the fact of arrest that the individual engaged in the conduct. The conduct, not the arrest, will be the relevant factor for admissions and tenancy determination. Reliable evidence of a conviction may be the basis for determining that disqualifying conduct occurred.

PHA may use other evidence such as police reports detailing the circumstances of the arrest, witness statements and other relevant documentation to assist in making a determination that disqualifying conduct occurred.

PHA will conduct criminal background checks at admission, when an adult is proposed to be added to the household, when an adult ports in to PHA, and when an existing minor household member turns 18. Additionally, PHA reserves the right to conduct criminal background checks at other times to ensure that clients are not engaging in or have engaged in certain criminal activities.

When an existing household member turns 18 during the recertification period, PHA will conduct a criminal background check at the next regular recertification after the household member turns 18.

The criminal background check may be made through state and/or local law enforcement agencies, as well as the FBI's National Crime Information Center or through an on-line service. In cases where a family has lived outside PHA's jurisdiction for the last three years, PHA may contact those local law enforcement agencies for a criminal history background check.

Families are provided an opportunity to dispute the accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record. PHA provides applicants an explanation of the basis for any decision made by PHA pertaining to the applicant's eligibility. Applicants are provided with an opportunity to request an informal hearing or review after an application of housing assistance is denied.

If PHA proposes to deny assistance based on criminal record information, PHA will notify the household of the proposed action and will make the record available upon request to the applicant. The applicant will have an opportunity to dispute the accuracy and relevance of the information through the informal review process.

If the criminal record check (CRC) identifies a pending criminal investigation, PHA will suspend the eligibility determination until the criminal investigation is completed. PHA will notify the applicant concerning their suspended eligibility status and request that the applicant notify PHA when the investigation is complete, at which time PHA will apply its eligibility and screening policies in making a final eligibility determination.

Criminal record checks will be considered current for a period of one year. If lease up (for new applicants) is not effective within one year from the date the CRC was run, a new CRC will be required.

APPENDIX C:TABLE OF SELECTED SCREENING ELEMENTS includes a chart which summarizes the mandatory and non-mandatory denials and related, applicable mitigating factors. **APPENDIX D:CHART OF OFFENSES – DENIAL OF ADMISSION** includes a chart detailing specific drug and criminal offenses and PHA's time frame for denial based on the timeframe between conviction and screening. In making determinations related to eligibility for admission to the program, PHA will use the criminal background screening policies in concert with the Chart of Offenses in Appendix D.

4.19.1 Mandatory Denial

PHA will deny assistance related to criminal background screening as a result of one of the following.

- Any household member has been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing. *Drug-related criminal activity* is defined as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

- Any household member has been convicted of a homicide-related offense, i.e. the killing of one human being by another. This includes murder, manslaughter (voluntary or involuntary), and conspiracy to commit murder. Mandatory denial is required if the homicide related conviction is within the time frames, as described in Appendix D.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following when considering denial of assistance related to criminal background screening:

- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.19.2 Non-Mandatory Denial

Prior to making a final determination on denial of assistance related to criminal background screening, PHA may consider the mitigating factors.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following factors when considering non-mandatory denial of assistance related to criminal background screening:

- If the applicant is an active tenant in or graduate of the Eastern District Federal Court Supervision to Aid Reentry (STAR) program or the Mayor's Office of Re-Integration Services for Ex-Offenders (RISE) Philadelphia Reentry Employment Program (PREP). RISE is the lead agency in the City for the management of reintegration services for the formerly incarcerated to transition them back into society. The STAR Program works in conjunction with Federal Probation and Parole, to offer returning citizens an opportunity to reduce their parole period by one year through participation in the program.

- If the applicant is an active tenant or graduate in good standing in a PHA approved city, state or federal re-entry program for ex-offenders and is meeting or has met and continues to meet the good standing requirements set forth in the re-entry program.

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

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

- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking.

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

- The level of violence, if any, of the offense for which the applicant was convicted.

- Evidence of the family's participation in or willingness to participate in social service or other appropriate counseling or rehabilitation service programs.

- Evidence of work history or history of community volunteer work.

- Satisfactory completion of probation.

- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.20 Sex Offender Screening

PHA will perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in Pennsylvania, as well as in any other state where a household member is known to have resided.

4.20.1 Mandatory Denial

PHA will deny admission to a family if:

- A member of the household is subject to a lifetime registration requirement under a State Sex Offender Registration Program.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following when considering mandatory denial of assistance related to criminal background sex offender screening:

- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.21 Screening Based on Past or Current Behavior

Arrest records alone will not be used to make a determination of unsuitability. In addition to the criminal background check. PHA may also use the following as evidence of patterns of current and past unsuitable behavior:

- Police reports detailing the circumstances of the arrest;
- Witness statements;
- Criminal background checks for drug-related or violent criminal activity of household members within the past three years;
- Any record of evictions for suspected drug-related or violent criminal activity of household members within the past three years; and/or
- Other relevant documentation to assist PHA in making a determination that disqualifying conduct occurred.

4.21.1 Mandatory Denial

PHA will deny assistance to a family when:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity.
- Any household member is currently engaged in the use of illegal drugs or PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. *Currently engaged in, current use of or current abuse* is defined as within the previous six months from the date of screening. PHA may obtain

information from drug abuse or other treatment entities to determine whether a household member is currently engaging in illegal drug activity or criminal behavior.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following when considering denial of assistance related to screening for past or current behavior:

- The seriousness of the case, especially with respect to how it would affect other residents.
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking.
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
- Evidence of the family's participation in or willingness to participate in social service or other appropriate counseling service programs.
- Evidence of work history or history of community volunteer work
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully. PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of the household member having been rehabilitated successfully.
- The circumstances that led to eviction no longer exist, i.e. the criminal household member has died or is imprisoned.
- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.21.2 Non-Mandatory Denial

PHA <u>may</u> deny assistance if:

- A PHA has ever terminated assistance under the program for any member of the family.
- Any family member has been evicted from federally-assisted housing in the last three (3) years for reasons outside of drug related criminal activity.
- Any member of the family has committed fraud or bribery or other corrupt or criminal act in connection with any federal housing program.
- A family member has engaged in or threatened violent or abusive behavior toward PHA personnel, an owner, contractor, subcontractor or agent of PHA. *Abusive or violent behavior* includes verbal

as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior. *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

- A family member has engaged in or threatened the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity. Immediate vicinity means within a three-block radius of the premises.

Mitigating Factors

Manager/Director review and approval is required when admission is based on mitigating factors. PHA may consider the following factors when considering non-mandatory denial of assistance related to screening on past and current behavior:

- The seriousness of the case, especially with respect to how it would affect other residents.
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking.
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
- Evidence of work history or history of community volunteer work.
- Evidence of the family's participation in or willingness to participate in social service or other appropriate counseling service programs.
- The circumstances that led to eviction no longer exist, i.e. the criminal household member has died or is imprisoned.
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully. PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of the household member having been rehabilitated successfully
- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

4.21.3 Reasonable Accommodation

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

4.22 Final Eligibility Determination

Based on verified information, PHA will make a final determination of eligibility and will confirm that the family qualified for any special admission, targeted admission, or selection preference, where applicable, that affected the order in which the family was selected from the waiting list.

If PHA determines that the family is ineligible, PHA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility, and will inform the family of their right to request an informal review.

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

If PHA determines that the family is eligible to receive assistance, PHA will place the family's name in the Ready Pool according to date and time of application.

4.23 Notice of Eligibility or Denial

If PHA determines that a family is not eligible for the program for any reason, the family will be notified promptly. The notice will describe:

- The reasons for which assistance has been denied;
- A statement that if the applicant is an individual with disabilities, they may request a Reasonable Accommodation as the disability may relate to participation in the informal review process or affect PHA's decision to deny admission;
- Notification of applicant protections against denial, confidentiality requirements and request for documentation as provided by VAWA. Detailed policy concerning VAWA and denial of admission is included in the Fair Housing and Equal Opportunity chapter;
- The family's right to an informal review; and
- The process for obtaining the informal review.

If based on a criminal record or lifetime registration information, an applicant family appears to be ineligible, PHA will notify the family in writing of the proposed denial and provide access to the record to the head of household (applicant) and to the subject of the record. The family will be given ten (10) business days to dispute the accuracy and relevance of the information. If the family does not contact PHA to dispute the information within ten (10) business days, PHA will proceed with the denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process. A Reasonable Accommodation will be considered in the acceptance of disputes, notices, scheduling and conducting hearings, and any decisions made by PHA.

Applicants who are denied admission are prohibited from applying and/or receiving housing assistance for one year from the date of the denial.

CHAPTER 5: APPLICATION, WAIT LIST AND TENANT SELECTION

5.1 Overview

PHA shall administer all waiting lists in accordance with applicable Fair Housing laws and PHA policies. PHA maintains waiting list to determine priority of placement into the HCV program. An applicant's placement on the waiting list is generally determined by the date and time of application. PHA maintains a single waiting list for the tenant-based HCV program. Owners of Unit Based program developments maintain their own Site Based Waiting Lists. See policies in **CHAPTER 23:UNIT BASED PROGRAM**.

The application process includes two phases: the pre-application or initial application which involves placement on the waiting list and the second phase, which is referred to as full application and which includes verification of information and a determination of eligibility. When vouchers become available, PHA will select families from a waiting list(s) in accordance with PHA policies.

5.2 Applying for Assistance

When pre-applications are being accepted, families interested in applying for assistance must complete a pre-application form. Pre-applications will be made available, upon request, in an accessible format for persons with disabilities. All pre-applications will be date and time-stamped.

PHA will notify families of the method for submitting pre-application and how the waiting list will be ordered. Pre-applications must be complete in order to be accepted by PHA for processing. If a pre-application is incomplete, PHA will notify the family of the additional information required. When a pre-application is submitted on-line, the software will not accept the pre-application if it is incomplete and will identify the information that the applicant must provide to complete the pre-application.

5.3 Accessibility of the Application Process

PHA will take steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). PHA will make reasonable accommodations to meet the needs of individuals with disabilities.

5.4 Placement on the Waiting List

Applicants who have submitted complete pre-applications will be placed on the waiting list. If a completed pre-application is not submitted within a specified timeframe, the pre-application will not be entered into the waiting list(s).

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance.

When the wait list is continuously open, applicants will be placed on the waiting list according to the date and time their completed pre-application is received by PHA. When the waiting list is open for a finite period of time, PHA will notify applicants of the method for submitting applications and ordering applications on the wait list.

5.5 Organization of the Waiting List

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

The waiting list will contain the following information:

- Date and time of pre-application;
- Applicant name;
- Qualification for any local preference (when preferences are adopted);
- Racial or ethnic designation of the head of household;
- Gross Household Income;
- Social Security Number (where applicable);
- Sex of each family member;
- Primary language spoken in the household;
- Special Admissions and targeted populations, if applicable;
- Contact information for the household; and
- Date of birth for each household member.

PHA will maintain a single waiting list for the tenant-based HCV program. A family's decision to apply for, receive, or refuse other housing assistance will not affect the family's placement on the HCV waiting list.

5.6 Opening the Waiting List

If the number of applicants on a waiting list drops below anticipated need (i.e., income level in order to meet income targeting requirements, etc.), PHA may reopen the waiting list and begin taking new applications.

PHA will announce the reopening of a waiting list in advance of the date applications will first be accepted. If the list is only being re-opened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how pre- applications are to be received as well as the method PHA will use to determine applicant ranking on the waiting list.

PHA will give public notice by publishing the relevant information in suitable media outlets when opening and closing the waiting list. All signs and advertisements will comply with PHA Affirmative Marketing policy found in this Administrative Plan.

5.7 Closing the Waiting List

A PHA will close the waiting list if it has an adequate pool of families to use its available HCV assistance. Where PHA has particular preferences or funding criteria that require a specific category of family, PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

5.8 Family Outreach

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

PHA outreach efforts will comply with fair housing requirements, including:

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

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

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

PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole within PHA's jurisdiction. Targeted outreach efforts may be undertaken if a review of the waiting list suggests that certain populations are being underserved.

5.9 Reporting Changes in Family Circumstances

While the family is on a waiting list(s), the family must inform PHA of changes in income, family composition, and/or contact information, including current residence, mailing address, and phone number. Changes to family income, composition, contact information and/or other application information may be made on-line, in person at PHA or via US mail. Failure to report these changes may affect a family's placement on the waiting list(s) and could result in removal of the family's name from the waiting list.

- Changes in a family's circumstances while on the waiting list may affect the family's position on the waiting list. When a family reports a change that affects their placement on a waiting list, the waiting list will be updated accordingly.
- If PHA is unable to reach a family based on the contact information provided, the family's application for housing assistance will be withdrawn from the waiting list(s).

5.10 Change in the Head of Household While on the Waiting List

If the original head of household changes (i.e. the HOH leaves the family or there is a switch in HOH) while the family is on the waiting list, the family must complete an update to the pre-application and identify the new head of household. PHA will allow the family to keep their initial date and time of application if the new head of household is the spouse or co-head identified in the initial pre-application. If the new head of household is anyone other than the spouse or co-head listed on the initial pre-application, the family must submit a new pre-application - if the waiting list is open, and they will be given a new date and time of application. PHA may make exceptions to this policy and will evaluate exceptions on a case by case basis.

The head of household and/or co-head may not be removed from the application without each other's mutual consent. Both the head of household and co-head may add or remove household members from the application. If there is no agreement between the head of household and co-head regarding removal of one of their names from the application, PHA will determine who retains the pre-application based on policies in **5.11 Family Break-Up or Split Households While on the Waiting List**.

5.11 Family Break-Up or Split Households While on the Waiting List

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

In the absence of a judicial decision, or an agreement among the original family members, the original head of household will retain the application date. Exceptions to the policy will be made on a case-by-case basis and may include consideration of the following factors:

- The interest of any minor children, including custody arrangements,
- The interest of any ill, elderly, or disabled family members,
- The interest of a family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse;
- Any possible risks to family members as a result of criminal activity; and
- The recommendations of social service professionals.

5.12 Updating the Waiting List

In order to have an adequate number of families on the waiting list(s), it is necessary to have current and updated waiting list(s). PHA will review the waiting list(s) on a regular basis to determine if an update and purge are necessary. If an update is needed, PHA will notify the families, at the time of the update, of the method and time frames to be used to update the waiting list. The family's response must be submitted in the time frame and format required by PHA.

Eligible applicants who respond timely and completely will be maintained on the waiting list(s). Applicants who do not respond timely and completely to any update request will be withdrawn (or purged) from the waiting list(s) without further notice

If a notice is returned by the post office, with no forwarding address, the applicant will be withdrawn from the waiting list. PHA will send a notice of withdrawal.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

5.13 Removal from the Waiting List

If an applicant fails to respond, in the manner and time frame requested an attempt by PHA, the applicant may be withdrawn from the waiting list(s). When a family is withdrawn from the waiting list for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent PHA from making an eligibility determination; therefore no informal hearing is required.

PHA will withdraw applicants from the waiting list upon documented request from the applicant. Applicants may request removal/withdrawal from the waiting list on-line or in writing

If a family is removed from the waiting list(s) because PHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the pre-application or subsequent updates. The notice will state the reasons the family was removed from the waiting list(s) and will inform the family how to request an informal hearing regarding PHA's decision. Applicants who disagree with an action or inaction of PHA are entitled to an informal hearing if requested in a timely manner.

Applicants removed/withdrawn from the waiting list(s) may reapply in one (1) year from the removal date.

Reasonable accommodations may be provided if the reason for removing an applicant is related to a disability.

Once a family is leased under the HCV Program, if the family had previously applied to Public Housing (PH), and/or Tax Credit Site waiting lists, the family may remain on the PH and/or Tax Credit Site waiting lists.

5.14 Reinstatement to the Waiting List

If a family is withdrawn from a waiting list(s) for failure to respond to PHA's attempt to contact the family by mail, PHA Management may reinstate the family at its former position if it is determined that the lack of response was due to PHA error, or to circumstances beyond the family's control. To be considered for reinstatement at their former position, the applicant must contact PHA within one (1) year of being withdrawn from the applicable list.

If a family does not respond to an update because of a family member's disability, PHA, upon verification of the disability, of the family's request, may reinstate the applicant family to their former position on the waiting list as a Reasonable Accommodation.

5.15 Order of Selection from the Waiting List

It is PHA's policy to ensure that all families who express an interest in housing assistance are given equal opportunity to apply, and are treated in a fair and consistent manner. Families will be selected from the waiting list based on the targeted funding, special housing initiatives, special preferences for which they qualify, income targeting requirements, and date and time of application.

Generally, when an applicant's name is at the top of the waiting list (WL), in accordance with PHA policies, they will be selected from the WL. Once selected, the applicant will be screened and an eligibility determination made. The applicant in the Ready Pool with the earliest date and time of application and who meets any applicable preferences will be offered the next available voucher.

5.16 Targeted Funding

When HUD awards special funding for certain family types, families who qualify are placed on the 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.

5.17 Income Targeting

MTW Policy

For the HCV program vouchers, the Agency shall:

- Ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act,
- Assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and
- Maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under MTW.

During the PHA fiscal year, not less than 75 percent of the families admitted to PHA's Tenant-Based Voucher program from the PHA waiting list shall be extremely low income families.

5.18 Special Housing Initiatives (SHI)

PHA may develop special housing initiatives that receive limited local preference through PHA Board approval. These special initiatives are targeted for specifically named households and may be based on PHA and community priorities or HUD targeted funding. In addition, SHIs may include a defined number of HCVs that will be allocated to households meeting specific described criteria. Examples of special housing initiatives include Blueprint to End Homelessness, The Second Chance Program, Nursing Home Transition Initiative and the Development Program Relocation Special Housing Initiative. See Admin Plan chapter on Special Programs and Allocations for more detail.

Generally, applicants for SHIs are referred to PHA. When referred to PHA, these families may have already been determined eligible based on the referring organizations criteria. However, these families must meet PHA income and other eligibility requirements in order to be housed. In establishing special housing initiatives, PHA will determine the priority given to special housing initiative applicants, including if appropriate, the ratio of admissions of standard applicants to special initiatives applicants.

5.19 Notification of Selection

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

- The date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview;
- Who is required to attend the eligibility interview; and
- Documents that must be provided at the interview.

CHAPTER 6: OCCUPANCY STANDARDS

Occupancy standards are established by PHA to ensure that vouchers are issued to families for the appropriate size. Occupancy standards describe the methodology and factors PHA uses to determine the voucher size for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This section also identifies circumstances under which an exception to the occupancy standards may be approved as well as other circumstances which dictate the voucher size for which a family qualifies.

Applicants who pass screening and are qualified for housing will be issued vouchers based on the Occupancy Guidelines established in this section. Units will be occupied by families of the appropriate size; however, the unit must meet the applicable HQS space requirements.

6.1 Minimum and Maximum Persons in a Unit

This table below provides general occupancy standard guidelines. This table must be used in conjunction with the narrative policies in section **6.2 Determining Family Voucher Size.** For example a 4 person family consisting of a head of household, her 5 year old daughter, her six year old son and 3 year old son would not necessarily be provided with a 4 BR voucher or a 2 BR voucher as referenced in the table below. When you factor in the policies on Determining Family voucher Size, this household would be eligible for a 3 BR voucher – one for the head of household, one for the daughter and one for the two sons.

Number of Bedrooms	Min. Persons/Unit	Max. Persons/Unit
0 BR	1	1
1 BR	1	2
2 BR	2	4
3 BR	3	6
4 BR	4	8
5 BR	5	10
6 BR	6	12

PHA will follow HUD's maximum HQS space standards in determining exceptions to the maximum allowable persons in a unit.

6.2 Determining Family Voucher Size

For each family, PHA determines the appropriate voucher size under the PHA Occupancy standards and enters the family unit size on the voucher that is issued to the family.

PHA will apply occupancy standards consistent with the stated gender provided by the tenant. PHA may make exceptions to this occupancy standard policy where cases of gender identity and other household members are concerned. Exceptions will be made on a case by case basis.

The following principles govern the voucher size for which a family may qualify.

- Two (2) persons per bedroom will be the standard for the unit a family may be offered;
- Two children of the opposite sex will not be required to share a bedroom; however, they may share a bedroom at the family's request;

- Two children of the same sex share a bedroom regardless of age;

- An adult and a child of the same sex who are not more than 10 years apart in age will be required to share a bedroom. For example a 25 year old female adult would have to share a bedroom with a 16 year old female child.

- Two adults of the same sex, other than same sex couples in an inter-dependent relationship or domestic partnership, who are more than 10 years apart are not required to share a bedroom; however, they may share a bedroom at the family's request;

- A husband and wife will be allocated one bedroom;

- A same or opposite sex couple that has an interdependent relationship or domestic partnership will be allocated one bedroom;

- An SRO will only be assigned to a one person household;

- A family that consists of a pregnant woman (with no other persons) will be treated as a two-person family, however the family will be provided with a 1 BR voucher.

- PHA will count a child who is temporarily away from the home because the child has been placed in foster care, kinship care or in the custody of the Dept. of Human Services as long as the family can document that the child will be living with the family.

- A live-in attendant may be assigned his/her own bedroom. Single elderly or disabled clients with live-in attendants will be assigned two bedroom units.

- PHA will allow family members of live-in aides to reside in the unit provided the addition of such family members does not produce an under-housed situation as determined by PHA occupancy standards. For example if a live-in aide has a daughter, the live in aide's daughter may reside in the unit, provided the daughter shares the bedroom with her mother or another household member.

- Children specified in joint custody agreements will be considered family members if the agreement specifies that they live with the parent for 50% or more of the time (at least 183 days a year) PHA will require verification of the custody agreement which may include school records and or court orders. When more than one applicant or client family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes

- Space may be provided for a family member who is away at school but who lives with the family during school recesses. See policy in **6.8 Absent Students.**

- Unless a live-in aide resides with the family, the family voucher size for any family consisting of a single person must be a one bedroom voucher.

- At the discretion of PHA, a household member may be assigned a separate bedroom if required for documented medical reasons.

Examples of family composition and occupancy guidelines are included on the table below.

Examples Using Occupancy Standard Guidelines	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**
Single person	X				

Examples Using Occupancy Standard Guidelines	1BR	2BR	3BR	4BR	5BR
Husband and wife or same sex couple in an interdependent relationship or domestic partnership	X				
Male HOH age 30 and male child age 5		X			
Female HOH age 29, other female adult age 23, female child age 17		X			
Single female HOH, live-in aide, male 5 year old child of the live-in aide		X			
Female HOH age 35 and female partner age 20 in an interdependent relationship	X				
Female HOH age 69, female adult age 65, female adult age 33		X			
Female HOH aged 31, other female adult age 23, female child age 6, male child age 8			X		
Single parent, two children of the opposite sex			X		
Male HOH, female 59 year old, 28 year old female adult, female age 15				X	
Husband and Wife, adult daughter age 23 and minor female child age 15		X			
Domestic partners, one son 12, one daughter 5, two sons 3				X	

6.3 Changes to Occupancy Standards

PHA will not apply changes to occupancy standards to existing families unless and until there is a change in family composition or the family moves to a new unit. For example, if a family has a 4 BR voucher and leases a 4 BR unit at initial occupancy and PHA later changes their occupancy guidelines thus qualifying the family for a 3 BR voucher, PHA will not require the family to move to a three bedroom unit or downsize their voucher unless and until their family composition changes or they move to another unit.

6.4 Changes in Family Composition, Voucher Size & UA

When a family reports a change in family composition, PHA will process approved family composition changes and update the voucher size at the time of the change. Utility allowances will be updated at the time of the change in family composition. Payment standards will not be updated until the effective date of the next regular recertification.

6.5 Exceptions to Occupancy Standard Guidelines

PHA will grant exceptions to occupancy guidelines in cases where it is the family's request and PHA determines the exceptions are justified by the relationships, age, sex, health or disability of family members, or other individual circumstances. PHA will not grant an exception that is in violation of local housing or occupancy codes, regulations or laws. PHA may require the HOH's signature acknowledging and agreeing with the approved occupancy guideline exceptions.

For a single person who is not elderly or disabled, an exception cannot override the regulatory limit of a zero or one bedroom voucher.

6.6 Processing of Exceptions

All requests for exceptions to the occupancy guidelines must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, PHA will ask the resident to make the request in writing using a reasonable accommodation request form. However, PHA will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger voucher size must explain the need or justification for the larger sized unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source.

PHA will promptly notify the family, in writing, of its decision.

6.7 Temporarily and Permanently Absent Family Members

An individual who is or is expected to be absent from the assisted apartment for less than 183 cumulative days per calendar year is considered temporarily absent and continues to be considered a family member. PHA will require that temporarily absent family members complete and submit required recertification documents on a timely basis. An individual who is or is expected to be absent from the assisted apartment for more than 183 total days per calendar year is considered permanently absent and is no longer a family member. Exceptions to this policy are reviewed on a case by case basis and may be assigned to the Office of Audit and Compliance (OAC) Investigations Unit.

6.8 Absent Students

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

6.9 Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family. If a child has been placed in foster care, PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for occupancy standards.

6.10 Absent Adults due to Employment

An adult family member absent from the apartment more than 183 cumulative days per calendar year due to employment or active military service will continue to be considered a family member provided that their income is included in the calculation of household income (excludes hostile fire income). Families will be required to provide proof of employment

See **16.22: Military Families – Absence from the Unit & Continued Occupancy** for additional policies related to absence of military personnel due to active duty.

6.11 Individuals Confined for Medical Reasons

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

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

6.12 Absent Family

If all family members are absent from a unit for more than 183 total days per calendar year Housing Assistance payments will cease and the HAP contract and lease will terminate.

6.13 Return of Permanently Absent Family Member

The family must request PHA approval for the return of any adult family members that PHA previously determined to be permanently absent. The individual is subject to PHA's eligibility and screening requirements and PHA policies on changes in household composition.

CHAPTER 7: BRIEFING & VOUCHERS

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

7.1 Briefing

The briefing provides a broad description of owner and family responsibilities, explains PHA's procedures, and includes instructions on how to lease a unit.

PHA will give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups.

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

7.2 Notification and Attendance

PHA will contact families to invite them to the briefing. If a family cannot be reached over the phone, PHA will send a written notice. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

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

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

If an applicant does not attend two scheduled briefings because of a family member's disability, PHA will reschedule the family for another briefing as a reasonable accommodation. If an applicant does not attend two scheduled briefings and can demonstrate good cause for not attending, PHA will not deny assistance.

7.3 Oral Briefing

Each briefing will include information on the following subjects:

- How the HCV program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside PHA's jurisdiction;

- An explanation of how portability works, including PHA's MTW policy on portability. An explanation of how portability may affect the family's assistance through screening, subsidy standards, payment standards and any other elements of the portability process which may affect the family's assistance. PHA cannot discourage families from choosing to live anywhere in PHA's jurisdiction, or outside PHA's jurisdiction under portability procedures, unless otherwise expressly authorized by statute, regulation, PIH Notice, the MTW Agreement or court order.

- An explanation of the advantages of living in areas that do not have a high concentration of low income families;

- Applicable MTW Program information

7.4 Briefing Packet

Documents and information provided in the briefing packet will include the following. This information is provided to the applicant either at the time of formal application or at the Briefing session.

- The term of the voucher, and PHA's policies on any extensions or suspensions of the term including how to request an extension to the term of the voucher;

- A description of the method used to calculate the housing assistance payment for a household, including how PHA determines the payment standard for a household, how PHA determines total tenant payment for a household, and information on the payment standard and utility allowance schedule;

- An explanation of how PHA determines the maximum allowable rent for an assisted unit;

- Where the family may lease a unit, including renting a dwelling unit inside or outside of PHA's jurisdiction;

- The advantages of areas that do not have a high concentration of low-income households;

- Restrictions on the number and timing of moves by a household;

- An explanation of how portability works, including PHA's MTW policy on portability. An explanation of how portability may affect the family's assistance through screening, subsidy standards, payment standards and any other elements of the portability process which may affect the family's assistance;

- A list of portability contact persons for neighboring PHAs including names, addresses, and telephone numbers;

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

- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy;

- A statement of PHA policy on providing information about households to prospective owners;

- PHA's occupancy standards including when and how exceptions are made;

- Materials on how to select a unit and any additional information on selecting a unit that HUD provides;

- The HUD pamphlet on lead-based paint entitled Protect Your Family from Lead in Your Home;

- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form;

- A list of landlords known to PHA who may be willing to lease a unit to the household or other resources such as newspapers, organization and on-line search tools, known to PHA that may assist the family in locating a unit. PHA will try to ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration;

- Notice that if the household includes a person with disabilities, the household may request a list of available accessible units known to PHA;

- The family obligations under the program;

- The grounds on which PHA may terminate assistance for a household because of household action or failure to act;

- PHA's informal hearing procedures including when PHA is required to offer a household the opportunity for an informal hearing, and how to request the hearing; and

- Information related to requirements under the MTW Demonstration.

7.5 Briefing Families with Special Needs

In a briefing that includes any person with disabilities, PHA will take appropriate steps to ensure effective communication and an accessible location. Spoken word and American Sign Language interpreters are available as needed. PHA will advise applicants that interpreters must be requested two days prior to the scheduled meeting. Applicants may also bring their own interpreters. Family members, representatives and service providers who assist families with special needs are encouraged to attend briefings.

7.6 Voucher Issuance

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher serves as evidence that PHA has determined the family to be eligible for the program, and that PHA expects to have money available to subsidize the family if the family finds an approvable unit.

A voucher can be issued to an applicant family only after PHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance and after the family has attended a mandatory briefing.

If funds are insufficient to house the family at the top of the waiting list, PHA will wait until it has adequate funding before issuing additional vouchers. If PHA determines that there is insufficient funding after a voucher has been issued, PHA may rescind the voucher and place the affected family back on the waiting list.

For families within the same category who were previously terminated or who had vouchers recalled due to insufficient funding, vouchers will be issued to those terminated or with vouchers recalled first. In these cases, vouchers will be issued as follows:

- Families who requested moves that were denied due to insufficient funding.

- Families with special purpose vouchers (NEDs, FUP, VASH) that were previously terminated or who had vouchers recalled due to insufficient funding.

- Once PHA resumes issuing vouchers after a funding shortfall, if PHA is not assisting the required number of NEDs, VASH, and FUP vouchers, PHA will issue vouchers to special purpose voucher categories of families on its WL until the PHA is assisting its required number of special purpose vouchers.

- Families without special purpose vouchers who were previously terminated or who had vouchers recalled due to insufficient funding.

See **17.7: Request to Move & Pending Termination** for policies related to moves and voucher issuance when a termination is pending.

7.7 Voucher Term

Applicants who are issued a voucher have an initial period of 120 days (called the initial term) in which to locate a suitable unit and notify PHA of their intent to enter into a lease with an owner.

Vouchers issued as a result of approved Emergency Transfers and relocation vouchers will be issued with a 60 day term.

Vouchers issued for all other moves will have a 90 day term.

The voucher term for clients who are issued vouchers in the Homeownership program is 180 days. The client/client will have one hundred and eighty days to identify a unit and complete the closing process on a home that will be included in the Direct Purchase Program.

If a client is initially approved for a transfer and is subsequently approved to port out, PHA will provide an additional 30 days to the voucher term, totaling 120 days.

7.8 Extension of Voucher Term

An applicant who cannot find a suitable unit within their voucher term, but who intends to continue to look for one will be given the opportunity to complete a written extension request to extend the voucher term. The written request must be made prior to the expiration of the voucher term

PHA may approve extensions under the following circumstances:

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

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

    - Serious illness or death in the family

    - Other family emergency

    - Obstacles due to employment

- Whether the family has already submitted requests for tenancy approval that were not approved by the PHA
- Whether family size or other special circumstances make it difficult to find a suitable unit

All written requests for voucher term extensions must include a written justification for the extension. Upon receipt of the written request and justification, PHA will review requests, and at its discretion may grant families one or more extensions of the voucher term.

In making a determination on the approval of an extension request and the length of the extension, PHA will review the applicant's justification and analyze voucher utilization data.

7.9 Suspension of Voucher Term

When a Request for Tenancy Approval is received by PHA, the term of any initial or extended voucher will be suspended from the date the family submits a request for tenancy approval until the date PHA notifies the family, in writing, whether the request has been approved or denied.

CHAPTER 8: INCOME AND ADJUSTED INCOME

8.1 Overview

A family's income determines eligibility for assistance and is also used to calculate the family's rent payment. PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under this policy and the MTW Agreement. Once annual income has been established PHA will subtract from annual income deductions for which a family qualifies in order to determine adjusted income.

8.2 Annual Income

Annual income includes all amounts, monetary or not, which:

- Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

- Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. What this means is that if two household members are not married and one provides the other with child support, the child support income is not counted since the source of the income is from an individual who is inside the "family"; and

- Which are not specifically excluded under 5.609 and the MTW Plan where applicable;

- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access, except where otherwise excluded under MTW.

Annual income includes but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Include employment income of an emancipated minor if the emancipated minor is the head of household, co-head or spouse.

- 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 the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business. 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;

- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property **For MTW programs, see MTW policy on Asset Income)**:

    - If the family has Net Family Assets less than $5,000, Annual Income shall include the actual income from those assets;

- If the Family has Net Family Assets in excess of $5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook saving's rate.

- The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts (See Income Exclusions for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits);

- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (See Income Exclusions concerning treatment of lump-sum additions as family assets);

- All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member);

- Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members;

- Imputed Welfare Income: Such amounts that involve a reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, because of fraud by a family member in connection with the welfare program or because of welfare agency sanction against a family member for non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program shall be included in annual income. This limitation does not apply to the loss of welfare benefits resulting from the expiration of a lifetime limit on benefits or a durational time limit on benefits;

  - All regular payments to the head of the household for support of a minor, or payments nominally to a minor for his support, but controlled for his benefit by the head of the household or a client family member other than the head, who is responsible for his support; and

- All regular pay, special payments and allowances (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.), received by a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other family member whose dependents are residing in the unit.

- As provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and mandatory fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance, described in the section on annual income exclusions, is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income,

8.3 Annual Income Exclusions

Annual Income does not include the following:

- Income from the employment of children (including foster children) under the age of 18 years;

- Income from the employment of an emancipated minor if the emancipated minor is not the head of household, co-head or spouse;

- Payments received for the care of foster children or foster adults; (usually individuals with disabilities, unrelated to the client family, who are unable to live alone);

- Kinship and other similar state guardianship care payments. Kinship care, Kin-GAP, and similar programs funded by states serve as an alternative to foster care placements. The compensation to participating relatives or legal guardians is comparable to the compensation to foster care parents. Payments for the care of foster children (including foster adults) are exempt from income.

- Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker's compensation), capital gains, one-time lottery winnings, and settlement for personal property losses (see above if the payments are or will be periodic in nature). See section below for treatment of delayed or deferred periodic payments of social security or supplemental security income benefits;

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

- The home purchased with voucher assistance from being counted as an asset for the first ten years after the closing date

- Income of a live-in aide, provided the person meets the definition of a live-in aide;

- Any financial assistance received for tuition and mandatory fees and charge. See the section **Treatment of Student Financial Assistance** for further information on this income exclusion;

- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

- Certain amounts received that are related to participation in the following programs:

    - Amounts received under HUD funded training programs (i.e., Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);

    - Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

    - Amounts received by a client in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program;

    - A client services stipend. A client services stipend is a modest amount (not to exceed $200/month) received by a Public Housing client for performing a service for PHA, on a part-time basis, that enhances the quality of life in Public Housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and client initiatives coordination. No client may receive more than one such stipend during the same period of time; and

    - Incremental earnings and/or benefits to any family member from participation in qualifying state or local employment training program (including training programs not affiliated with the local government), and training of family members as client 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 a limited period as determined in advance by PHA;

- Temporary, non-recurring, or sporadic income (including gifts);

- Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

- Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of the household and spouse); (unearned income of adult full time students , i.e. SS, SSI, CS & DPA is counted) **(For MTW programs, see MTW policy on Full Time Student Income Exclusion)**;

- Adoption assistance payments in excess of $480 per adopted child;

- Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

- Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling apartment;

- 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

- 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 United States Housing Act of 1937. A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. A list of these federally mandated exclusions are included as **APPENDIX F: FEDERALLY MANDATED INCOME EXCLUSIONS**.

8.4 Streamlined Income Determination

For any family member with a fixed source of income, PHA may use a streamlined income determination. The streamlined income determination is conducted by applying, for each fixed income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

A family member with a fixed income source of income is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:

- Social Security, Supplemental Security Income, Supplemental Disability Insurance;

- Federal, state, local, or private pension plans;

- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or

- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

Under the streamlined income determination, PHA would use a COLA or current rate of interest specific to the fixed income source of income in order to adjust the income amount. PHA will verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party-generated documentation. If no such verification is available, PHA will obtain third party verification of income amounts in order to calculate the change in income for the source.

For any family member whose income is determined pursuant to a streamlined income determination, PHA will obtain third-party verification of all income amounts every 3 years.

Examples:

- **An MTW household** with SS income completes their recertification with an effective date of 2-1-16. PHA conducts 3rd party verification of the SS income. For the recertification effective 2-1-18, PHA will apply the applicable COLA(s) to the 2016 benefit to calculate the SS income for the 2-1-18 recertification. For the 2-1-20 recertification, PHA will conduct third party verification of the SS benefit.

- **A Non-MTW household** with SS income completes their recertification with an effective date of 2-1-16. PHA conducts 3rd party verification of the SS income. For the recertification effective 2-1-17, PHA will apply the applicable COLA to the 2016 benefit to calculate the SS income. For the recertification effective 2-1-18, PHA will apply the applicable COLA to the 2017 benefit to calculate the SS income. For the 2-1-19 recertification, PHA will conduct third party verification of the SS benefit.

8.5 Treatment of Student Financial Assistance

PHA will include amounts of financial assistance an individual receives in excess of tuition and other required fees and charges when determining annual income. PHA will verify tuition and fees according to its verification policies at **10-9 Verification of Tuition and Fees**.

The Department of Education defines tuition as the amount of money charged to students for instructional services which may be charged per term, per course, or per credit. These values represent what a typical student would be charged and may not be the same for all students at an institution.

If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition.

Required fees include all fixed sum charges that are required of a large proportion of all students. The student who does not pay the charges is an exception. Examples of required fees include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).

Expenses related to attending an institution of higher education must **not** be included as tuition. Examples of these expenses include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed sum charges.

Example:
Kim, a 22 year old, married, participant in an HCV program is enrolled in a nursing program at her local community college. She is receiving $7,000 in financial assistance to cover the full cost of tuition and fees of $6,000 for the academic year. The $6,000 includes:

- $2,500 in tuition per semester (total $5,000) *plus*
- $500 in individual fees (total $1,000)—athletic fee, writing laboratory fee, student center fee, science laboratory fee, technology fee—charged to every student per semester.

In this example, the excess $1,000 ($7,000 - $6,000) Kim received in financial assistance will be included in her annual income in accordance with 24 CFR 5.609(b)(9).

8.6 Full Time Student Income Exclusion

Non-MTW Policy: Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household, co-head and spouse will be excluded.

MTW Policy

Upon HUD approval, using its MTW authority, PHA will exclude all adult, full-time student **earned** income, excluding the head of household, co-head or spouse. PHA will not verify adult full-time student earned income as 100% of the earned income is excluded.

8.7 Asset Income

There are two terms that are important in calculating asset income – market value and cash value.

Market value is the face value of an asset. For example, the value of a Certificate of Deposit.

The "cash value" of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash, such as the following:

- Penalties for premature withdrawal;
- Broker and legal fees; and
- Settlement costs for real estate transactions.

Non-MTW Policy:
If the total Cash Value of a family's assets is $5,000 or less, annual income shall include the actual income from those assets;

If the total Cash Value of a family's assets is in excess of $5,000, annual income shall include the greater of the actual income derived from all family assets or a percentage of the value of such assets based on PHA's current passbook saving's rate.

MTW Policy

Upon HUD approval, using its MTW authority, PHA will exclude the income from assets where the market value of the household's combined assets is $50,000 or below. Where the market value of the asset is greater than $50,000, PHA will use the market value of the asset multiplied by PHA's established passbook saving's rate to determine income. For example, if the households combined market value of their assets is $75,000 and the passbook saving's rate is 1% the imputed income from assets is $750.

8.8 Passbook Saving's Rate

PHA will establish a passbook rate within 75 basis points (plus or minus .75 percent) of the Savings National Rate in effect at the time PHA establishes the passbook rate. The passbook rate may not be less than 0 percent. PHA will apply this policy to calculate asset income for applicants and clients. For example, if the published FDIC Savings National Rate is .12% PHA might add 75 basis points (.75 percent) for a passbook saving's rate of .87%.

8.9 Income of Foster Children and Foster Adults

- Earned income of foster children is excluded from annual income.
- Earned income of foster adults is included in annual income.
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) is excluded from annual income.
- All other income received on behalf of a foster child or foster adult is included in annual income. For example, if a foster adult receives SSI payments those payments are included in annual income.

8.10 Temporary and Sporadic Income

Temporary and sporadic income are excluded from the calculation of annual income. (See **16.18.2 Temporary and Sporadic Income** for interim recertification policies related to this topic).

Example
Daniel works occasionally as a handyman. He claims to have worked only a couple of times last year and he has no documentation to support this claim. His earnings are neither reliable (he cannot depend on them) nor periodic (they do not recur at regular intervals), thus Daniel's handyman earnings are not included in annual income. If Daniel is the sole household member and has no other sources of income or benefits, he would fall under the zero income verification and recertification requirements.

8.11 Seasonal Income

People in some occupations regularly work less than 12 months per year, i.e., school employees, agricultural workers and construction workers. To determine annual income for individuals who have seasonal income, PHA will use past actual income received or earned within the last 12 months of the determination date. Therefore, interim recertifications will not be completed when circumstances change. Documentation may include, but is not limited to UIV, EIV, W-2 forms and tax returns

Example
Mary is a teacher with the ABC school district, earning $2,000 per month. She works for nine months a year. At the time of her regular recertification Mary is not working. PHA runs an EIV income report which has the actual income earned for the prior year. The EIV income report shows income of $24,053 for the prior year. Mary received $20,000 for her job as a teacher and collected $4,053 in unemployment the prior year. PHA would use $24,053 as her income for the upcoming certification.

8.12 Earned Income Disallowance

MTW Policy

PHA has eliminated the Earned Income Disallowance at CFR 24 5.609. Subject to HUD approval, using its MTW authority, PHA may establish income disregards for increases in earned income for participants in certain PHA sponsored or approved self-sufficiency training and/or employment programs including income generated from a resident owned business.

8.12.1 Earned Income Disallowance Non-MTW Programs

Applicable programs
The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons

with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982) and Project Based Voucher Program (24 CFR part 983).

Definitions
The following definitions apply for purposes of this section.

- Disallowance. Exclusion from annual income.

- Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

- Qualified family. A family residing in housing assisted under one of the applicable programs and:

  (1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

  (2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

  (3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least $500.

Disallowance of increase in annual income

Initial 12-month Exclusion

During the 12- month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, PHA will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

Second 12-month Exclusion

Upon the expiration of the initial 12-month period exclusion and for the subsequent 12-month period, PHA will exclude from annual income of a qualified family 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

Maximum 2-year disallowance

The disallowance of increased income of an individual family member who is an eligible person with disabilities is limited to a lifetime 24-month period. The disallowance applies for a maximum of 12 months for the 100% disallowance and a maximum of 12 months for the 50% disallowance during the 24-month period starting from the initial 12 month exclusion

Effect of Changes on Currently Participating Families

Families eligible for and participating in the disallowance of earned income under this section prior to **April 7, 2016** will continue to be governed by the EID in effect as it existed immediately prior to that date.

Example

Time Frame	EID under this Regulation
January 2017 (month one)	Carl begins working and is eligible for EID. 100% of Carl's increase in earned income is excluded.
July 2017 (month seven)	Carl is laid off. EID "clock" continues to run.
January 2018 (month 13)	Carl's second 12-month period begins.
February 2018 (month 14)	Carl begins working again. 50% of the increase in earned income due to Carl's employment is excluded.
December 2018 (month 24)	This is the final month during which Carl receives his EID benefit.

8.13 Anticipating Annual Income

PHA will calculate anticipated annual income by adding the income the family expects to receive during the 12-month period following the family's admission or regular recertification effective date. Accordingly, annual income is calculated by projecting current income forward for a 12-month period.

8.14 Known Changes in Income

If PHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $6/hour will begin to receive $6.25/hour in the eighth week after the effective date of the recertification. In such a case PHA would calculate annual income as follows: ($6/hour × 40 hours × 7 weeks) + ($6.25/hr. × 40 hours × 45 weeks = $1,680.00 + $11,250.00 = $12,930.00).

8.15 Temporarily Absent Family Members and Income

The income of family members approved to live in the apartment will be counted, even if the family member is temporarily absent from the apartment. See **6.7 Temporarily and Permanently Absent Family Members** for policies and definition of temporarily absent.

8.16 Adjusted Income

Adjusted income is calculated by subtracting allowable deductions and allowances from annual income.

MTW Policy

Adjusted income is calculated by subtracting MTW deductions from annual income.

8.17 Deductions

Non-MTW Policy:
In determining adjusted income, PHA will deduct the following amounts from annual income:

- $480 for each dependent;
- $400 for any elderly family or disabled family;
- The sum of the following, to the extent the sum exceeds three percent of annual income
  - Unreimbursed medical expenses of any elderly family or disabled family;
  - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- Any reasonable child care expenses necessary to enable a member of the family to be employed, seek employment or to further his/her education.

8.17.1 Working Family Deduction

There is no Working Family deduction for Non-MTW programs.

MTW Policy

PHA will apply a $500 working family deduction for families with one or more adult members employed full or part time (at least twenty hours per week). Full time adult students (other than the head of household, co-head or spouse) and minors who work more than 20 hours per week are not eligible for the working family deduction. Only one working family deduction of $500 per year is applied to each household.

8.17.2 Dependent Deduction

Non-MTW Policy: A deduction of $480 is taken for each dependent. Dependent is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents.

MTW Policy

Under MTW, there is no dependent deduction

8.17.3 Elderly or Disabled Family Deduction

Non-MTW Policy: A single deduction of $400 is taken for any elderly or disabled family.

MTW Policy

Under MTW, there is no deduction for elderly or disabled households.

8.17.4 Health Insurance Premium Deduction

For Non-MTW Programs, see Non-MTW Policy under Medical Expense Deduction

MTW Policy

PHA will deduct the full Medicare, Medicaid and/or other health insurance premiums for households where the head of household, co-head and/or spouse are either elderly or disabled. Other health insurance premiums include dental and vision care insurance.

8.17.5 Medical Expense Deduction

MTW Policy

Other than the health insurance premium deduction above, there are no additional medical expense deductions for elderly/disabled MTW households.

Non-MTW Policy:
Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is elderly or disabled. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

“Medical expenses” include medical insurance premiums, and medical expenses that are anticipated during the period for which annual income is computed, and which is not covered by insurance.

The most current IRS Publication 502, Medical and Dental Expenses, will be used to determine the costs that qualify as medical expenses. Over-the-count products will not be eligible for deductions as medical expenses unless they are accompanied by a doctor’s prescription.

Summary of Allowable Medical Expenses from IRS Publication 502	
• Services of medical professionals • Surgery and medical procedures that are necessary, legal, non-cosmetic • Services of medical facilities • Hospitalization, long-term care, and in-home nursing services • Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor • Improvements to housing directly related to medical needs (i.e., ramps for a wheel chair, handrails)	• Substance abuse treatment programs • Psychiatric treatment • Ambulance services and some costs of transportation related to medical expenses • The cost and care of necessary equipment related to a medical condition (i.e., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) • Cost and continuing care of necessary service animals • Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

8.17.6 Disability Assistance Expense Deduction

MTW Policy

Under MTW, there is no disability expense deduction.

Non-MTW Policy:
Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

- Are necessary to enable a family member 18 years or older to work;
- Are not paid to a family member or reimbursed by an outside source;
- In combination with any medical expenses, exceed three percent of annual income; and
- Do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction
A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family member enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

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

Eligible Disability Expenses
Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (i.e., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care
The family identifies and PHA verifies the type of attendant care that is appropriate for the person with disabilities. Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

Disability Expense Payments to Family Members
No disability expenses may be deducted for payments to a member of a client family. However, expenses paid to a relative who is not a member of the client family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses
The family identifies and PHA verifies the type of care or auxiliary apparatus to be provided. The family must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

8.17.7 Child Care Expense Deduction

MTW Policy

Under MTW, there is no deduction for unreimbursed child care expenses.

Non-MTW Policy:
Child care expenses are amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses.

Determining Who Is Enabled to Pursue an Eligible Activity

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work
If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each recertification. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being claimed.

Furthering Education
If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed
If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction
When a family member looks for work or furthers his or her education, there is no limit on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income. The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered at a time.

Eligible Child Care Expenses
The type of care to be provided is determined by the client family. PHA will not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care.

Allowable Child Care Activities
For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (i.e., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's apartment are not eligible; however, payments for child care to relatives who do not live in the apartment are eligible.

Necessary and Reasonable Costs
Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source. Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time.

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

8.18 Rounding of Income and Deductions

Generally PHA will round to the nearest whole dollar at the annual calculation for each income/deduction source. .

PHA will round as follows for the following income and deductions:

- Social Security (SS) Income: When the SS benefit letter states that the monthly benefit is rounded down to the whole dollar, PHA will calculate annual income by using the **full monthly**(not rounded down) benefit before any deductions and round at the final annual calculation. The benefit letter is only to be used when EIV is not available or the tenant disputes EIV.

- Supplemental Security Income (SSI): The benefit for SSI is generally separated into two parts, the federal portion and the State portion. The income for each portion should be calculated by annualizing the total monthly federal and State portions. The resulting annual totals should be rounded to the nearest whole dollar.

- Applying the COLA to SS and SSI: When the EIV report does not yet contain the benefit for the upcoming year and where PHA is required to apply the COLA for the upcoming year, PHA will apply the COLA to the currently monthly benefit and will use the full monthly benefit to calculate income. For example if the current SS benefit is $560/month and the COLA is 1.7%, PHA would increase the monthly benefit of $560/month benefit by 1.7% to $569.52 and would then multiply $569.52 times 12 to get the annual income. The rounding would occur at the annual calculation $6834.

CHAPTER 9: FAMILY SHARE & SUBSIDY DETERMINATION

9.1 Overview of Income-Based Rent Calculations

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the Utility Allowance Payment, which may be paid to the family or directly to the utility company by PHA. See **9.10 Utility Allowance Payments** for further information.

9.2 Total Tenant Payment

TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the household's monthly adjusted income;
- 10 percent of the household's monthly gross income; or
- PHA's minimum rent of $50.

PHA may suspend and exempt families from minimum rent when a financial hardship exists.

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

MTW Policy

Using its MTW authority, PHA has established a program that will simplify the calculations and verification of income and rent share for MTW Program households. The goal is to increase administrative efficiency and accuracy in rent calculation, encourage self-sufficiency for households, reduce paperwork requirements of households and minimize negative impacts on household rents during the implementation period. In addition the proposed rent program provides incentives for households to obtain employment and creates a fair and equitable program for rent calculation.

Rent Simplification will not apply to:

- Households in Project Based Moderate Rehab units;
- Households in SROs;
- Households with a non-MTW voucher, including households whose vouchers are administered by PHA under portability;
- Enhanced Vouchers: unless and until they are converted to MTW vouchers;
- VASH vouchers; or
- Mainstream vouchers.

See **CHAPTER 23:UNIT BASED PROGRAM** for MTW policies that apply to the UB Program.

The Rent Simplification Program includes the following:

- Recertification of income once every 24 months;
- Triennial recertification for elderly or disabled households on fixed incomes;
- Elimination of the requirement to report increases in income that occur between regularly scheduled recertifications;
- Retention of the requirement to report all household composition changes and additions to the household that add income to the household;
- Limit to voluntary interim recertifications to one every six months (elderly/disabled households are exempt);
- Calculation of household TTP as a percentage of monthly adjusted income using a tiered percentage based on household size:

  Household Size 1-2 persons: Rent is 28% of adjusted monthly income
  Household Size 3-5 persons: Rent is 27% of adjusted monthly income
  Household Size 6+ persons: Rent is 26% of adjusted monthly income

  Foster children, foster adults and live-in aides are not counted in the household size when determining the percentage of monthly adjusted income for TTP;
- Retention of a $50 minimum rent;
- Existing income inclusions and exclusions required by federal Legislation under 24 C.F.R. §5.609 – Annual Income will continue to be considered in calculating annual income, unless modified under MTW;
- Self-certification of assets and asset income when the value of the assets $50,000 or below;
- Exclusion from annual income, asset income on the first $50,000 of assets;
- Calculation of asset income when the market value of assets is over $50,000 using the market value of the asset times the passbook saving's rate. Disposition costs will not be factored into this calculation; and
- Exclusion of all earned income for adult full time students other than the head of household, co-head and spouse.

Elimination of all deductions under 24 C.F.R. §5.611 - Adjusted Income, except for:

- A $500 working family deduction per year for families with one or more members employed full time or part time, (at least twenty hours per week). Full time adult students (other than the HOH and spouse) and minors who work at least 20 hours per week are not eligible for the working family deduction; and

- The full Medicare/Medicaid/health, dental and/or vision insurance payments for elderly and disabled households.

For all of PHA's rent and utility allowance policies implemented pursuant to its MTW authority, PHA will consider exceptions to these policies on a case-by-case basis for families who can demonstrate a long term hardship that will result from application of the policies to them, or as a reasonable accommodation. To qualify for a hardship exemption, a household must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the application of the rent or utility allowance policy to the household will affect the household.

PHA applies Rent Simplification to Homeownership vouchers.

9.3 Total Tenant Payment for Mixed Households

A mixed household is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible household members. PHA will prorate the assistance provided to a mixed household. PHA will first determine assistance as if all household members were eligible and then prorate the assistance according to the regulatory requirement at 24 CFR 5.520.

9.4 Changes to Rent Simplification Approach

MTW Policy

PHA will make changes to the rent simplification approach or specific elements of the rent calculation system, and revise policies and procedures as required ensuring that the goals of administrative efficiency and overall fairness are maintained.

9.5 Minimum Rent

PHA's minimum rent is set at $50.The minimum rent is set at $50. The Executive Director or his designee is authorized may evaluate the minimum rent policy, report to the Board any proposed changes, and make subsequent adjustments to the policy.

9.6 Minimum Rent Hardship Exemption

PHA will grant an exemption from the minimum rent if a household can document that they are unable to pay the minimum rent because of a long term hardship (over 90 days). The minimum rent financial hardship exemption applies only to families required to pay the minimum rent. If a household's TTP is higher than the minimum rent, the household is not eligible for a minimum rent hardship exemption.

Situations under which households would qualify for the hardship exemption from minimum rent are limited to the following:

- The household has lost eligibility for or is applying for an eligibility determination for a federal, State or local assistance program;
- The household would be evicted as result of the imposition of the minimum rent requirements;
- The income of the household has decreased because of changed circumstances, including loss of employment; or

- A death in the household has occurred. In order to qualify under this provision, a household must describe how the death has created a financial hardship (i.e., because of funeral-related expenses or the loss of the household member's income).

To qualify for a minimum rent hardship exemption, a household must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the household's ability to pay the minimum rent.

9.6.1 Determination of Minimum Rent Hardship Exemption

When a household requests a financial hardship exemption from minimum rent, PHA will suspend the minimum rent requirement beginning the first of the month following the household's request. PHA will then determine whether the financial hardship exists and whether the hardship is temporary or long-term.

PHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

9.6.2 No Financial Hardship

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

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

9.6.3 Temporary Hardship

If PHA determines that a qualifying financial hardship is temporary, PHA will not impose the minimum rent during the 90-day suspension period. At the end of the 90-day suspension period, PHA will reinstate the minimum rent from the beginning of the first of the month following the date of the household's request for a hardship exemption.

The household must resume payment of the minimum rent and must repay PHA the amounts suspended in accordance with PHA's repayment agreement policy.

9.6.4 Long-Term Hardship

If PHA determines that the financial hardship is long-term, PHA will exempt the household from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the household's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the household is not required to repay the minimum rent. Families approved for the exemption from minimum rent are required to re-verify every one hundred and twenty (120) days.

- The hardship period ends when the household's calculated TTP is greater than the minimum rent.

- For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received to enable the household to pay at least the minimum rent.

- When the minimum rent is suspended, the household share reverts to the highest of the remaining components of the calculated TTP.

9.7 Family Share

The family share is the family's contribution toward the gross rent.

For a family selecting a unit where the gross rent is at or below the payment standard for the family, the family share will be the same as the TTP.

For a family selecting a unit where the gross rent exceeds the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.

- At initial occupancy and upon transfer to a new unit, PHA will not approve the tenancy if the gross rent is above the payment standard resulting in a family share that exceeds the maximum initial rent burden, which is 40% of adjusted monthly income, even if the rent is reasonable.

- PHA may approve a unit if the gross rent is above the payment standard, but does not result in a tenant portion that exceeds the 40% of monthly adjusted income.

9.8 Tenant Rent to Owner

When the household is directly paying for some or all of the utilities, the household rent to owner is determined by subtracting the contract rent to the owner from the HAP to the owner.

9.9 PHA Subsidy (Housing Assistance Payment)

PHA will pay a monthly housing assistance payment (HAP) for a household that is equal to the lower of:

1. The applicable payment standard for the household minus the household's TTP; or

2. The gross rent for the household's unit minus the TTP.

If during the term of the HAP contract for a household's unit, the owner lowers the rent, PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit.

9.10 Utility Allowance Payments

If the amount of the utility allowance exceeds the total tenant payment, PHA will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

PHA may pay the utility reimbursement directly to the household or to the utility supplier on behalf of the household. If the PHA chooses to pay the utility supplier directly, PHA will notify the household of the amount paid to the utility supplier.

PHA may elect to make utility payments on a quarterly basis if and when the utility payment totals $45 or less per quarter. In the event PHA adopts such a policy and if the family leaves the program in advance of its next quarterly utility payment, PHA will reimburse the family for a pro-rated share of the applicable utility payment.

Where PHA elects to exercise the quarterly utility payment option, families may submit a written request for a hardship if receipt of quarterly utility payments would pose a financial hardship on the family. PHA will review such requests on a case by case basis and provide a written determination on the outcome within a reasonable time period.

Financial hardship for the utility payment policy may be granted when and if a family demonstrates a situation in which the family cannot stay current with utility bills unless utility payments are received monthly. Verification of such hardship will include review of utility bills and related arrearages totaling more than two month's average cost.

CHAPTER 10: VERIFICATION

PHA verifies information that is used to establish the household's eligibility and level of assistance. PHA is required to obtain the household's consent to collect this information. Applicants and households must cooperate with the verification process as a condition of receiving assistance.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the record keeping policies established by PHA.

Where HUD's table of acceptable verification differs from PHA verification requirements, PHA verification requirements will apply.

10.1 Consent to Release of Information

The household must supply any information that PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information.

It is required that all adult applicants and households sign form HUD-9886, Authorization for Release of Information and other applicable release forms. Adult household members must sign other consent forms as needed to collect information relevant to the household's eligibility and level of assistance.

10.2 Penalties for Failing to Consent

If any household member who is required to sign a consent form fails to do so, PHA will deny admission to applicants or terminate assistance for existing households. The household may request a hearing in accordance with PHA's hearing procedures.

10.3 General Verification Requirements

1. Any documents used for verification(both income and household information documents) must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to PHA, including documents verified prior to voucher issuance. PHA may accept scanned documents from third parties.

2. PHA may begin processing recertifications using an on-line system of delivery of recertification materials. When this process is implemented, PHA will accept electronic signatures for verification of program information.

3. Before issuing a voucher for admission to the program, PHA will re-verify income if the household's income has changed or any income verification is more than 60 days old.

4. The documents must not be damaged, altered or in any way illegible.

5. Generally, PHA will maintain the validity of verification documents for 150 days from the date of receipt**.**

6. If 150 or more days have elapsed since the verification information was received by PHA **for any recertification** and the 50058 is about to be validated, PHA will request updated income information from the household, including but not limited to, current pay stubs and benefits letters. If the difference between the updated income information and the previously calculated information

is greater than $200 per month, PHA will recalculate income and TTP using the updated tenant provided income. If the difference is less than $200/month, no changes will be made. If the tenant cannot provide updated documentation of income, PHA will follow the hierarchy of verification and attempt to receive updated verification from the third party source.

7. In an effort to lease families as quickly as possible and to reduce staff workload, PHA has opted not to re-verify household composition and information related to income and allowances during the leasing process even if the 150 day threshold has been exceeded.

8. Unless otherwise stated, PHA will accept documents dated more than 6 months before the processing date of the household's recertification if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides annual reports, PHA would accept the most recent report. However, a SS benefit letter can be obtained more than once per year, so that PHA would not accept a benefit letter that was more than 60 days old.

9. Print-outs from web pages are considered original documents.

10. Generally, the PHA staff member who views verification documents must make a photocopy and date stamp the copy with the date the document was received. Birth certificates, photo IDs and SS cards will not require a date stamp.

11. Any household self-certifications must be made in a format acceptable to PHA and must be signed in the presence of a PHA representative or Notary Public.

12. The cost of verification will not be passed on to the household.

13. For verification of wages using review of household provided documents, PHA requires

Pay Frequency	Number of Consecutive Pay Stubs
Weekly	4
Bi-weekly or Twice/Month	2
Monthly	2

14. If an applicant/household provides more than the minimum required pay stubs for verification, PHA will use only the minimum number of paystubs required and will ensure that the pay stubs used reflect the most current paystubs provided.

15. If a verifier provides a range of hours worked, PHA will use the average of the range to calculate income.

10.4 Substantial Difference

PHA will use the $200 per month as the threshold for a substantial difference.

10.5 Substantial Difference Exists

If UIV/ third party information differs substantially from household provided information PHA reserves the right to request additional verification information and use any other verification method in priority order to reconcile the difference.

10.6 Fraud

Information provided by the applicant/household that proves to be untrue may be used to disqualify the applicant for admission or terminate the household on the basis of attempted fraud. PHA considers false information concerning the following to be grounds for rejecting an applicant or terminating assistance:

- Income, assets, household composition;
- Social Security Numbers;
- Preferences;
- Allowances; and
- Previous household history or criminal history

The applicant/household shall be notified in writing of such determination by PHA and will be given the opportunity for an informal review /hearing of the matter.

10.7 Hierarchy of Verification

PHA may use six methods to verify household information. In general PHA will use the most reliable form of verification that is available and will document the reasons when PHA uses a lesser form of verification.

In order of priority, the forms of verification that PHA will use are:

1. Upfront Income Verification using HUD's EIV system
2. Upfront Income Verification using non-HUD systems
3. Written Third-Party Verification: An original or authentic document generated by the third-party source, which may be in the possession of the tenant or applicant. Examples include pay stubs, bank statements, and pharmacy printouts.
4. Written Third Party Verification Form: Standardized form sent by PHA to the third party source by mail, fax or e-mail.
5. Oral Third-Party: Verification by contact via telephone or in-person.
6. Self-Certification or Tenant Declaration.

10.8 Enterprise Income Verification (EIV) System

PHA will use HUD's EIV system as a third-party source to verify tenant employment and certain income information during regular and interim recertifications of household composition and income. The following policies apply to the use of HUD's EIV system.

10.8.1 EIV Income Reports

The data shown on income reports is updated quarterly. Data may be between three and six months old at the time reports are generated.

EIV Income reports will be compared to household-provided information as part of the regular and interim reexamination process. Income reports may be used in the calculation of annual income, as described in **CHAPTER 8:INCOME AND ADJUSTED INCOME.**

Income reports will be used as necessary to identify earned income and unemployment benefits, and to verify and calculate Social Security and/or SSI benefits. EIV will also be used to verify that households claiming zero income are not receiving income from any of these sources.

Income reports will be retained in household files.

10.8.2 EIV Identity Verification

The EIV system verifies tenant identities against Social Security Administration (SSA) records.
These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth. When identity verification for a tenant fails, a message will be displayed within the EIV system and no income information will be displayed.

PHA will identify residents whose identity verification has failed. PHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the household. When PHA determines that discrepancies exist as a result of PHA errors, such as spelling errors or incorrect birth dates, PHA will correct the errors.

10.9 Up-Front Income Verification (UIV)

Up-front income verification (UIV) refers to PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent these systems are available to PHA.

10.10 Third-Party Written Verification

Written third-party verification is 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 household. PHA may, at its discretion, reject any household-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable written third-party verification tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

Unless third-party verification is not required, PHA will attempt to obtain third-party verification before using another form of verification

10.11 Written Third-Party Verification Form

PHA will send a written request for third party verification under the following circumstances:

- When higher forms of verification (UIV, EIV, written third party documents) are not available;
- When PHA requires clarification of income information;
- If the tenant disputes EIV, UIV or other third party documents; and
- When there is a significant difference between tenant provided information and third party documents.

For example, if a tenant is unable to provide pay stubs, PHA will send a written third party verification form to the employer to verify employment status and income.

- PHA may mail, fax, e-mail, or hand deliver third-party written verification form requests and will accept third-party responses by of any of these methods.

- As needed, PHA will send a written request for verification to each required source after securing a household's authorization for the release of the information

- A record of each attempt to contact the third-party source will be documented in the file.

10.12 Oral Third-Party Verification

Oral third-party verification is mandatory if neither form of written third-party verification is available. Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 5 business days. PHA will document oral verification attempts in the household file.

Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

10.13 When Third-Party Verification Is Not Required

Third party verification will not be required under the following circumstances:

- **Verification Service Charge**
  If there is a service charge for third party verification, PHA will assume that third party verification is not available and use lower forms of verification according to the verification hierarchy.

- **Primary Documents**
  Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

- **Assets Disposed of Less than Fair Market Value**
  PHA will accept a self-certification from the family as verification of assets disposed of for less than fair market value. See **Verification of Assets** for policies related to assets disposed of for less than fair market value.

- **Other Assets**
  PHA will accept a self-certification of asset value and income when the market value of the family's assets is $50,000 or below (MTW only).

- **Insignificant Amount of Income**
  PHA will determine that third-party verification is not required if the asset or expense involves an insignificant amount of income, making it not cost-effective or reasonable to obtain third-party verification. An insignificant amount of income is defined as $10 or less per month.

10.14 Self-Certification

Household members will be required to submit self-certifications attesting to the accuracy of the information they have provided to PHA when information cannot be verified by a third party or by review of documents. Self-certification, or "tenant declaration," is used as a last resort when PHA is unable to obtain third-party verification. PHA will document the file with attempts to obtain higher forms of verification before relying on self-certification. PHA may require a household to certify a household member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to PHA and must be signed by the household member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or notary public.

Self-certification may not be used to verify the following benefits:

- Social Security Benefits;
- Unemployment
- Court Ordered Child Support
- Supplemental Security Benefits; or
- Public Assistance
- Veterans Benefits
- Government Pensions
- Unreimbursed medical expenses

10.15 When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, PHA will use tenant provided information on a provisional basis. If PHA later receives third-party verification that differs substantially from the amounts used in income and rent determinations and it is past the deadline for processing the recertification, PHA will conduct an interim recertification to adjust the figures.

10.16 Verification of Citizenship/Eligible Immigration Status

- U.S Citizenship: Verification consists of a signed Declaration of Citizenship for all U.S. Citizens and Nationals
- Eligible Non-Citizens: Verification consists of a signed Declaration of Eligible Immigration Status AND one of the Section 214 documents listed in 24 C.F.R. 5.508(b)(1) and verification from the USCIS SAVE system when available.

For eligible noncitizens who are 62 years of age or older or who will be 62 years of age or older and receiving assistance under a Section 214 covered program on September 30, 1996 or applying for assistance on or after that date, the evidence consists of:

- A signed declaration of eligible immigration status; and
- Proof of age document.

10.17 Verification of Assets

PHA will verify the value and income from assets using the verification hierarchy. For assets disposed at less than fair market value in the two years preceding the effective date of admission or the certification, PHA will accept a self-certification from the household including a certification regarding the assets disposed, the date of disposition and the amount received for the asset.

Non-MTW Policy:
For a family with net assets equal to or less than $5,000, PHA will accept a family's self-certification of asset value and asset income without taking additional steps to verify the accuracy of the declaration; however, PHA will conduct third party verification of family assets every three years regardless of the value of the assets.

MTW Policy

Under the authority of the MTW Agreement, applicants and households will be allowed to self-certify asset value and income when the market value of the household's assets is $50,000 or below. When the market value of the asset is greater than $50,000, PHA will verify the market value of the asset using the verification hierarchy. Each household will be required to complete one asset self-certification at admission and at each regular recertification. For policies on calculation of asset income see **8.7 Asset Income**.

10.18 Verification of Fixed Sources of Income

Pursuant to the Final 2016 Rule on Streamlining of Administrative Regulations, PHA will verify and calculate income for the following benefits per the policy on streamlined income determinations. **See 8-4 Streamlined Income Determination.**

- SS, SSI and SSDI
- Federal, state, local or private pension plans
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

10.19 Verification of SS and SSI Benefits

PHA will conduct third party verification of SS/SSI benefits per the policy on streamlined income determinations. **See 8-4 Streamlined Income Determination**

In the years where PHA is required to complete third party verification of SS and SSI benefits, PHA will use EIV as the preferred source for verification of SS and SSI benefits for participants and UIV or benefit letters for applicants. Additionally, PHA will use UIV or benefit letters if EIV is not available or if the tenant disputes the EIV information for SS and/or SSI.

Upfront verification (UIV) for SS/SSI would be completed using the Department of Public Welfare CIS database. The State Supplementary Portion will be verified via UIV- using the DPW CIS database.

When the monthly benefit amount provided by EIV and the benefit letter do not identify the benefit for the upcoming year, PHA will use the Cost of Living Adjustment (COLA) excerpt from the Social Security Administration (SSA) website to verify the monthly benefit. Generally, this policy will be applicable to recertifications effective January, February and/or March.

10.20 Verification of Unemployment

Generally, if EIV reveals current unemployment benefits, PHA will verify unemployment benefits with a tenant supplied benefit letter. Third party written verification forms will not be sent as there is a service charge for the verification.

10.21 Verification of Child Support

PHA will verify child support using the verification hierarchy. When there are minors in a household and/or a new minor is added to the household and both parents/guardians do not reside in the household, PHA staff must request third-party verification of court ordered child support from Family Court. If there are no minors in the household, PHA will not request verification from Family Court.

10.22 Verification of Department of Public Assistance Benefits

PHA will use the State of Pennsylvania's electronic database to verify Public Assistance (PA) benefits. If the PA database is unavailable, PHA will request third-party verification from the local DPA office. For applicants, PHA may use the DPA database to verify the State Supplementary Payment.

10.23 Verification of Zero Income

A Zero Income household is one where no household member receives any income, contributions and/or benefits on his/her own behalf or on behalf of another individual in the household.

Where a full-time student, other than the head of household, co-head or spouse is working and the earned income on behalf of that student is the only income for the household, PHA will not treat this household as a zero income household even though all of the income is excluded.

Households that report zero income may be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc. If the household's expenses exceed their known income, PHA may make inquiry as to the nature of the household's accessible resources.

PHA will require the following when the household claims zero income and at each successive regular recertification:

- Completion of a financial hardship worksheet;
- Completion of a zero income self-certification by each adult household member;
- EIV check to confirm that no household member has any income; and
- 3rd party verification to the Family Court to confirm that no child support is paid, (only if there are minors in the household and both parent/legal guardians do not reside in the household).

Every 180 days, PHA will run an EIV check on zero income households and take action as required for unreported income.

A zero income individual is one who does not receive any income, contributions and/or benefits on his/her own behalf or on behalf of another individual in the household. PHA will conduct the following verifications on zero income individuals when he/she claims zero income and at each successive regular recertification:

- Completion of a zero income self-certification;
- EIV check to confirm that the individual member has no income; and
- 3rd party verification to the Family Court to confirm that no child support is paid, (only if the zero income household member has minor children in the household and both parent/legal guardians do not reside in the household).

PHA will not conduct EIV checks every 180 days for zero income individuals; however, PHA reserves the right to run an EIV check to ensure program integrity.

10.24 Verification of Tuition and Fees

PHA will verify the amounts of tuition and required fees charged by the school when determining annual income. PHA will verify those amounts using the student's bill or account statement (including an online account statement) as provided by the school's bursar's office, or by contacting the bursar's office directly. PHA may also visit the school's website as many institutions of higher education provide an itemized list covering tuition and fees that are charged to a majority of their students on their websites.

10.25 Verification of SSN and Date of Birth

Applicants will be required to provide a SSN on the pre-application form. PHA will request verification of the SS number during screening for eligibility. Alternate arrangements will be made for applicants who are not US Citizens or have eligible immigration status.

PHA may accept the following as verification of an applicant/tenant's Social Security Number or Date of Birth if the document includes the name of the individual and his/her SSN or Date of Birth:

- An original SSN card issued by the Social Security Administration (SSA);
- An original SSA issued document;
- A state-issued driver's license with a SSN;
- Identification card issued by a federal, state or local agency;
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid);
- Identification card issued by an employer or trade union;
- Passport;
- Birth Certificate;
- Earnings statement on payroll stubs;

- School, hospital, employment and/or medical records;
- Bank statements;
- IRS Form 1099;
- Benefit award letters from government agencies;
- Retirement benefit letter;
- Life insurance policies; or
- Court record (real estate, tax notices, marriage and divorce, judgment or bankruptcy records).

Certain Foster Care placements are such that Foster Care Agencies are not in possession of original SS Cards and/or Birth Certificates; however they have received information containing SSNs and date of birth. In the event a certified Foster Care Agency cannot produce a SS card or birth certificate, PHA may accept a letter from the Foster Care Agency to verify the foster child's social security number and date of birth.

10.26 Verification of Disability

The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

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

If a person's disability is obvious, or otherwise known to PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

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

Third-party verification must be obtained from an individual identified by the household who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability.

PHA shall not inquire about the nature or severity of a person's disability or about a person's diagnosis or details of treatment for a disability or medical condition. PHA will destroy or return any medical documentation that states the nature or extent of a person's disability.

Receipt of disability benefits paid by the Social Security Administration or the Veteran's Administration may be used to verify the recipient's status for the eligibility for the disabled household deduction. If head of household, co-head or spouse claims to be disabled and does not receive disability income, PHA will conduct third party verification to confirm disabled status.

10.27 Verification of Student Status & Income

PHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The household reports full-time student status for an adult other than the head, spouse, or co-head; or

- The household reports child care expenses to enable a household member to further his or her education.

Non-MTW Policy:
PHA will verify all earned income for all full time students.

MTW Policy
PHA will not verify the earned income for full-time students. Such income is fully excluded. This provision does not apply to full time students who are the heads of household, co-heads or spouses.

10.27.1 Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

PHA will verify that an adult student enrolled in an institution of higher education is independent from his/her parents and meets the other requirements for a student to be eligible for HCV assistance. See policies on **Students Enrolled in Institutions of Higher Education**.

To verify independent student status and determine a student's eligibility for assistance, all of the following will be completed:

- Review and verify previous address information to determine evidence of a separate household or verify the student meets the U.S. Department of Education's definition of independent student.

- Review a student's prior year income tax returns to verify the student is independent or verify the student meets the U.S. Department of Education's definition of *independent student*.

- Verify income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income, except if the student meets the Department of Education's definition of *independent student.*

CHAPTER 11: HOUSING QUALITY STANDARDS

11.1 Overview

PHA will inspect each unit in accordance with established policies to determine if the unit meets the Housing Quality Standards ("HQS"). A history of each inspection is maintained in the household's file.

11.2 HQS Standards

PHA conforms to the performance and acceptability requirements at 24 C.F.R. 982.401 when conducting HQS. Also, PHA inspectors are expected to rely on their professional judgment in discriminating between a pass or fail condition.

HUD's performance and acceptability requirements for HCV-assisted housing cover the following areas:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke detectors.

11.3 Initial Inspection Time Frame

PHA will use the results of an initial approved inspection for a period of 60 calendar days. If the lease and HAP contract are not effective within 60 calendar days from the date of the approved inspection, the unit will be reinspected.

11.4 Owner Responsibilities

The owner must maintain the unit in accordance with HQS. If the owner fails to maintain the dwelling unit in accordance with HQS, PHA will take action to enforce the owner obligations, which may include abatement or reduction of HAP payments and termination of the HAP contract. The owner is not

responsible for breaches in HQS not caused by the owner and for which the family is responsible, as listed below.

11.5 Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service;
- Failure to provide or maintain family-supplied appliances; and
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear.

PHA may terminate assistance to a family because of an HQS breach caused by the family.

11.6 Violation of HQS Space Standards

If PHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, PHA will issue the family a new voucher. If an acceptable unit is available for rental by the family, PHA will terminate the existing HAP contract in accordance with its terms and execute a new HAP contract for the new unit.

11.7 Modifications to Provide Accessibility

An owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit, at the family's expense. All such modifications must meet all applicable HQS requirements.

11.8 Types of Inspections

PHA conducts the following types of inspections as needed. Each type of inspection is discussed in more detail in the paragraphs that follow.

Initial Inspections
PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.

Annual & Biennial Inspections – Regular Inspections
PHA will inspect each unit under lease at least biennially to confirm the unit continues to meet HQS. Biennial inspection frequency means that the unit must be inspected at least once in a 24 month period. Annual inspection means that the unit must be inspected at least once in a 12 month period. When the term regular inspection is used it refers to annual and biennial inspections.

Special Inspections
A special inspection may be requested by the owner, the family, or a third party as a result of problems identified between annual inspections.

Quality Control Inspections
Quality control inspections are re-Inspections completed by a supervisor or other qualified individual on a sample of HCV program units to ensure that HQS are being enforced correctly and uniformly by all inspectors.

11.9 Cost of Inspection

PHA will not charge the family for unit inspections.

PHA will establish a reasonable fee to owners for reinspection of a unit if an owner notifies PHA that a repair has been made or the allotted time for repairs has elapsed and a reinspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing was not corrected.

The owner may not pass this fee along to the family.

PHA will not reinspect the unit again until payment for the cost of the reinspection has been received from the owner. For example, if a unit failed inspection, PHA will reinspect the unit within 15 days from the date the owner notified PHA that the repair was completed or within 15 days from the time period allotted for the repair. If the unit failed reinspection, PHA will not reinspect the unit again until the cost of the reinspection has been received from the owner.

11.10 Notice and Scheduling

The family must allow PHA to inspect the unit at reasonable times and with reasonable notice.

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be no less than 48 hours. In the case of a life threatening emergency, PHA will give as much notice as possible, given the nature of the emergency.

If an authorized adult cannot be present on the scheduled date, the family should request that PHA reschedule the inspection. PHA will schedule a new inspection date.

If the family misses the first scheduled appointment without requesting a new inspection date, PHA will automatically schedule a second inspection. If the family misses two scheduled inspections without PHA approval, PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance.

11.11 Owner and Family Inspection Attendance

When a family occupies the unit at the time of inspection, an authorized adult must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, PHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

11.12 Initial HQS Inspection

PHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within a reasonable time from submission of the Request for Tenancy Approval (RFTA).

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame in which to correct them. Generally, PHA will provide owners 15 business days from the date of the failed initial inspection to correct identified deficiencies. If requested by the owner, the time frame for correcting the deficiencies may be extended by PHA for good cause. PHA will reinspect the unit within a reasonable time after the owner notifies PHA that the required corrections have been made.

If the time period for correcting the deficiencies (or any PHA-approved extension) has elapsed, and the unit fails HQS at the time of the reinspection, PHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. PHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Following a unit disapproval, the family may submit a new Request for Tenancy Approval for the unit if the family has not found another unit by the time the owner completes all repairs and the family continues to wish to live in the unit.

11.13 HQS Inspection Frequency

Each unit under HAP contract will have an HQS inspection at least once in a 24 month period. PHA reserves the right to change any HQS unit inspection frequency based solely upon management discretion. For example, if a unit has had HQS failures on all scheduled HQS inspections, PHA may inspect the unit on an annual instead of biennial basis.

Upon full implementation of the biennial HQS policy, a portion of the applicable units may undergo inspection in Year One and the remaining units on biennial inspection may be inspected in Year 2. In subsequent years, PHA reserves the right to change inspection frequencies to achieve load balancing and/or if the owner unit history dictates.

Units in properties that are mixed-finance properties assisted with project based vouchers may be inspected at least triennially pursuant to 24 CFR 983.103.

Tenants **cannot** opt for their unit to remain on an annual inspection schedule; however, either the tenant or the owner may request a complaint inspection at any time. Complaint inspections should not be requested until the owner/tenant has been contacted and given the opportunity to respond to the HQS issue.

11.14 Special Inspections

PHA will conduct a special inspection if the owner, family, or a third party reports possible HQS violations in the unit.

During a special inspection, PHA generally will inspect only those deficiencies that were reported; however, the inspector may record any additional HQS deficiencies that are observed and may require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled, PHA may elect to conduct a full annual inspection.

11.15 Quality Control Inspections

A PHA supervisor or other qualified person will conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of HQS.

The unit sample will generally include units that have been inspected within the preceding 3 months. The selected sample will include:

- Each type of inspection (initial, annual, and special);
- Inspections completed by each inspector; and
- Units from a cross-section of neighborhoods.

11.16 Alternative Inspections

PHA may comply with the inspection requirement through reliance upon an inspection conducted for another housing assistance program. Compliance with the inspection requirement may be met by reliance upon an inspection of housing assisted under:

- The HOME Investment Partnerships (HOME) program (under Title II of the Cranston-Gonzalez National Affordable Housing Act;
- Housing financed via the Treasury Department's Low-Income Housing Tax Credit program (LIHTC), taking into account the standards employed by those programs;
- An inspection performed by HUD.

If PHA relies on an alternate inspection method other than one of the methods above, then, prior to implementation, PHA will submit to the Real Estate Assessment Center (REAC) a copy of the inspection method it wishes to use, along with its analysis of the inspection method that shows that the method "provides the same or greater protection to occupants of dwelling units" as would HQS. PHA may rely upon such alternative inspection method upon receiving approval from REAC to do so.

If PHA uses an alternative inspection method approved by REAC, PHA will monitor changes to the standards and requirements applicable to such method. If any change is made to the alternative inspection method, PHA will submit to REAC a copy of the revised standards and requirements, along with a revised comparison to HQS. If PHA or REAC determines that the revision would cause the alternative inspection to no longer meet or exceed HQS, then PHA will no longer rely upon the alternative inspection method to comply with the inspection requirement.

The following apply under the alternative inspection policy:

- If a property is inspected under an alternative inspection method, and the property receives a "pass" score, PHA may rely on that inspection to demonstrate compliance with the inspection requirement.
- If a property is inspected under an alternative inspection method, and the property receives a "fail" score, then PHA may not rely on that inspection to demonstrate compliance with the inspection requirement.
- If a property is inspected under an alternative inspection method that does not employ a pass/fail determination—for example, in the case of the LIHTC program, where deficiencies are simply noted—PHA will review the list of deficiencies to determine whether any cited deficiency would have resulted in a "fail" score under HQS. If no such deficiency exists, then PHA may rely on the inspection to demonstrate compliance with the inspection requirements; if such a deficiency does exist, PHA may not rely on the inspection to demonstrate such compliance.

In any instance where PHA cannot rely on an alternative inspection method for a property, PHA will, within a reasonable period of time, conduct an HQS inspection of any units in the property occupied by voucher program participants and follow HQS procedures to remedy any identified deficiencies.

11.17 Emergency Conditions

"Emergency" HQS violations will cover only those situations that are determined to be exigent health and safety issues, i.e. those situations that pose an immediate threat to the life, health or safety of tenants or that are related to fire safety hazards. When emergency HQS violations are identified, PHA will immediately notify both the owner and household. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within the required time period per PHA's notice.

Emergency violations include but are not limited to:

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling;
- Natural or LP gas or fuel oil leaks;
- Any electrical problem or condition that could result in shock or fire;
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit;
- Utilities not in service, including no running hot water;
- Obstacles that prevent safe entrance or exit from the unit;
- Absence of a functioning toilet in the unit; and
- Inoperable smoke detectors.

If an owner fails to correct emergency conditions as required, the housing assistance payment will be abated.

If a family fails to correct a family-caused emergency condition as required, PHA may terminate the family's assistance.

The owner will be required to repair an inoperable smoke detector unless PHA determines that the family has intentionally disconnected it (by removing batteries or other means).

11.18 Other HQS Violations

When failures that are not life-threatening are identified, PHA will send the owner and the family a written notification of the inspection results following the inspection.

The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. The notice of inspection results will inform the owner that if non-life threatening conditions are not corrected within the specified time frame, the owner's HAP will be abated. Likewise, in the case of family-caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame, the family's assistance may be terminated.

11.19 Time Standards for Repairs

- If an owner fails to correct HQS deficiencies by the time specified, PHA will abate housing assistance payments

- Emergency Repairs: Items which endanger family health and well-being, such as the emergency conditions listed above, must be abated (subsided/stopped) or repaired within 24 hours after notification. PHA will not grant an extension to this time frame. Once an HQS emergency has been abated (subsided/stopped), if further repair is still needed, the repair item will be treated as a non-emergency repair. If the emergency conditions are not abated or repaired within 24 hours or any PHA-approved extension, PHA will stop Housing Assistance Payments no later than the first of the month following the specified correction period or terminate the HAP contract, or in the case of family-caused HQS failures, take prompt and vigorous action to enforce the family's obligations.

- All Repairs - Initial Inspection: PHA generally requires non-emergency repairs for initial inspection to be made within 15 business days, unless PHA has approved an extension to this time frame.

- Non-Emergency Repairs – All other inspections: PHA generally requires non-emergency repairs for annual//biennial/interim inspections to be completed within 30 days after notification, unless PHA has approved an extension to this time frame.

11.20 Extensions

For conditions that are not life-threatening, PHA may grant an exception to the required time frames for correcting the violation, if PHA determines that an extension is appropriate.

Extensions may be granted in cases where PHA has determined that the owner has made a good faith effort to correct the deficiencies but has been unable to for reasons beyond the owner's control. Reasons may include but are not limited to:

- A repair cannot be completed because required parts or services are not available; and

- A repair cannot be completed because of weather conditions.

The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 business days, once the weather conditions have subsided.

An extension may also be granted where a reasonable accommodation is needed because the family includes a person with disabilities.

11.21 Reinspections

PHA will conduct a reinspection following the end of the corrective period, or any PHA-approved extension, except as provided in the policies in **11.22 Owner Certification of Repair**.

11.22 Owner Certification of Repair

PHA inspectors will document on the appropriate form all defects that may cause the unit to fail to meet HQS standards, and will indicate whether those failures are deemed to be the owner or the tenant's responsibility to repair. HUD regulations require PHA verify that HQS failure items have been repaired. PHA will require re-inspections for tenant caused failure items. At PHA's discretion, PHA will verify repair

of certain non-emergency failure items that the owner is responsible to correct through certifications signed by the owner and tenant. PHA reserves the right to require re-inspection or to accept self-certification for HQS failure items that are the owner's responsibility to repair. **APPENDIX G: HQS OWNER CERTIFICATION ITEMS** contains the HQS failure items for which PHA will accept owner and tenant certification of repair.

11.23 Enforcing Owner Compliance

If the owner fails to maintain the dwelling unit in accordance with HQS, PHA will take prompt and vigorous action to enforce the owner obligations.

11.24 HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified, PHA will abate housing assistance payments. PHA will abate Housing Assistance Payments no later than the first of the month following the specified correction period or terminate the HAP contract.

PHA will inspect abated units within a reasonable time period after the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection. No retroactive payments will be made to the owner for the period of time the assistance payments were abated.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

11.25 Issuing Vouchers to Move when HAP is abated

PHA will issue a transfer voucher when the unit has been in abatement for thirty days or sooner if the owner communicates his intention not to make the repairs. Once a transfer request has been initiated, PHA will contact the household and issue a transfer voucher to move. Where the HAP is abated and emergency HQS violations exists, PHA will evaluate the emergency HQS condition on a case-by-case basis and initiate the transfer consistent with the safety and well-being of the family.

11.26 HAP Contract Termination

If the HAP has been abated for 60 days, and the unit continues to fail to meet HQS requirements, PHA will issue a 30-day notice of termination of the HAP contract.

If the owner completes corrections and notifies PHA before the termination date of the HAP contract, PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Generally, PHA will not terminate the contract until the family finds another unit, provided the family does so in a reasonable time (generally 60 days from the time the unit is abated). PHA will issue a voucher to permit the family to move to another unit. On a case-by-case basis, PHA may allow abatement past sixty days when the family has made reasonable efforts to find a new unit but has not been successful.

11.27 Enforcing Family Compliance

PHA will pursue prompt and vigorous action against the family for family-caused HQS violations.

Families are responsible for correcting any family caused HQS violations. If the family fails to correct a violation within the period allowed by PHA (and any extensions), PHA may terminate the family's assistance.

When the family moves out of the dwelling unit, the owner, subject to State and local law, may use the security deposit, including interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the family, damages to the unit or for other amounts the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund the full amount of the unused balance to the family.

PHA will not reimburse owners for the cost of damages or other unpaid amounts owed by the tenants under the lease. The owner must collect damage payments from the tenant.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

CHAPTER 12: RENT REASONABLENESS & CONTRACT RENT

A HAP contract and lease may not be approved until PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program. A reasonable rent is one that does not exceed the rent charged for comparable, unassisted units in the same market area. Owners are also prohibited from charging more for assisted units than for comparable unassisted units on the premises.

At all times during assisted tenancy PHA will ensure that the rent to the owner does not exceed the reasonable rent as most recently determined or re-determined by PHA. PHA will make a determination whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. In making this determination PHA will consider:

- The amount of rent being charged for comparable, standard, unassisted units in the neighborhood;
- The quality, location, size, unit type and age of the contract unit;
- The amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease;
- On-site facilities;
- Management and maintenance of the building and unit; and
- The amount of rent charged by the owner for similar units in the same structure.

12.1 How Reasonable Rents are Determined

The reasonable rent must be determined by comparison to the rent for other comparable unassisted units. When making this determination, PHA will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner. Because units may be similar, but not exactly like the unit proposed for HCV assistance, PHA may make adjustments to the range of prices to account for these differences. PHA will determine comparability using Reasonable Rent software.

PHA will notify the owner of the rent that PHA will approve based upon its analysis of rents for comparable units.

12.2 Required Reasonable Rent Re-Determination

PHA will complete reasonable rent determinations:

- When a unit is placed under HAP contract for the first time;
- When an owner requests an increase in rent;
- If there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date; and
- At any other time PHA or HUD deems it necessary.

PHA will terminate the existing contract for any unit where the landlord does not agree to a Reasonable Rent. A transfer packet will be issued to the participating family for any owner that elects not to enter into a new agreement in accordance with the regulations concerning Termination of Tenancy.

MTW Policy

This policy applies to MTW units in the Tenant-Based Voucher program and MTW units under PHA's Unit Based Program, including PHA owned units. PHA will complete reasonable rent determinations:

- When a unit is placed under HAP contract for the first time;
- When an owner requests an increase in rent; and
- At any other time PHA deems it necessary.

PHA will terminate the existing contract for any unit where the landlord does not agree to a Reasonable Rent. A transfer packet will be issued to the participating family for any owner that elects not to enter into a new agreement in accordance with the regulations concerning Termination of Tenancy.

12.3 Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, State, or local assistance that impose rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance; Section 236 and Section 221(d)(3); Below Market Interest Rate (BMIR) projects; HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs; and units that are rent-controlled by local ordinance.

12.4 Rents Charged for Other Units on the Premises

By accepting PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give PHA information regarding rents charged for other units on the premises.

12.5 Reasonable Accommodation – Reasonable Rent

PHA may make a reasonable accommodation in the rules and polices related to reasonable rent when such accommodation is necessary to afford a disabled person equal opportunity to use and enjoy a dwelling unit. PHA may require a 504 Inspection of a unit prior to approving a reasonable accommodation for exception rent.

A family that requires a reasonable accommodation may request the accommodation, in writing, at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception and provide PHA with any documents requested to verify the need for an accommodation.

12.6 Rent Limitations

See policy in **9.7 Family Share** for rent limitations at initial lease up and upon transfer to a new unit.
PHA will allow a subsequent rent increase during a family's occupancy of the unit that causes the family share to exceed 40% of monthly adjusted income as long as the new rent to owner is determined to be reasonable. The maximum initial rent burden applies only at the commencement of an assisted occupancy in a particular unit.

12.7 Disapproval of Proposed Rent

PHA policy is to NOT to approve an initial rent in the following circumstances:

- If the rent for a dwelling unit does not meet the test of Rent Reasonableness; and
- If the gross rent is in excess of PHA's payment standard and the rent would result in a family share that exceeds 40% of the family's monthly adjusted income.

If the owner accepts a revised rent, PHA will continue processing the Request for Tenancy Approval.

During subsequent lease terms, if a dwelling unit does not meet the test of Rent Reasonableness (RR), the landlord has to renegotiate a reasonable rent or the HAP contract will be terminated.

12.8 Rent Changes

Initial rents remain in effect for a two-year period. Owner requests will be accepted for consideration after the initial two year lease term and once every two years thereafter. The rent change will be consistent with the lease anniversary date. Owners must submit rent change requests, in writing, no earlier than 120 calendar days and no later than 90 days prior to the lease anniversary date.

PHA may impose rent freezes or caps on rent increases from time to time to maintain financial budgetary requirements and to respond to the changing market of rents and affordability. Additionally, PHA may apply across the board rent increases to respond to changing market conditions. When across the board rent increases are applied, PHA will conduct a RR determination at the next annual HQS inspection and apply applicable policies related to reasonable rent when and if the rent is not reasonable.

If the requested rent is not approvable after application of the reasonable rent test, the following options apply:

- PHA will attempt to negotiate a lower, approvable rent with the landlord;
- If an approvable rent is not negotiated between the landlord and PHA, PHA will provide the household with notice that the lease and HAP contract will be terminated. The household will be issued a family packet to locate a new unit; or
- The household may continue to lease in place without HCV program rent assistance and PHA will terminate the Housing Assistance Payments Contract with the owner.

12.9 Timing of Rent Changes

Upon completion of any change in contract rent, PHA will notify the family and owner of the new Housing Assistance Payment, Family Rent to Owner and Total Contract Rent.

Rent Decrease:
If the Family Rent to Owner decreases, the new rent amount will be effective with the next month's rent payment.

Rent Increase:
If the Family Rent to Owner increases, PHA will provide 30 days written notice to the household of the new rent amount. At the time of rent increase to the owner, the family must decide if they can afford any rent

increase imposed by the owner or give the proper 30 days written notice to PHA and the owner to vacate the unit.

12.10 Contract Rent

Contract rent is the total amount of rent an owner charges for a unit occupied by a family being assisted in the HCV program. PHA will list this initial amount on the Housing Assistance Payment contract (HAP) and the HCV program lease agreement. Changes in the contract rent will be sent via a Rent Change Notice.

12.11 Gross Rent

Gross Rent is the total of the Contract Rent plus the utility allowance. If there is no utility allowance because the Contract Rent includes all utilities, the gross rent and Contract Rent are the same.

CHAPTER 13: LEASING POLICIES & HAP CONTRACT

13.1 Overview

It is an applicant's responsibility to find a unit that is owned by an individual or entity that is willing to participate in the HCV program. PHA may make available to each applicant a list of possible units for rent from participating owners. Upon applicant request, PHA will assist the applicant/household who because of age, disability or other appropriate reason cannot find an acceptable unit. PHA staff will refer applicants and households to owners willing to participate in the HCV program. The unit must meet three requirements in order to be approved by PHA for leasing:

- Subsidy Standards: The unit must be suitable for the family size, meeting PHA's Subsidy Standards;
- HQS: The unit must be decent, safe and sanitary and meet HCV Housing Quality Standards; and
- Rent Reasonableness: The unit rent must be reasonable given the market area and amenities. Exception rents may apply where accessible units are concerned.

13.2 "Finder's Keeper's Policy"

A voucher holder may select the dwelling unit which they currently occupy if it meets HCV program requirements.

13.3 Owner Screening of Prospective Tenants

PHA has no liability or responsibility to the owner or other persons for the family's behavior for tenancy. The owner is responsible for screening and selection of the family to occupy the owner's unit. PHA informs owners that screening and selection for tenancy is the responsibility of the owner. PHA also informs owners and/or managers of their responsibility to comply with VAWA.

PHA provides owners with the family's current and prior address (as shown in PHA records), and the name and address (if known to PHA) of the landlord at the family's current and prior address.

PHA does not screen applicants for family behavior for tenancy and does not provide additional screening information to the owner.

13.4 Requesting Tenancy Approval

- A voucher holder must submit a Request for Tenancy Approval (RFTA) prior to the expiration date of the voucher. The RFTA must be signed by the owner and voucher holder.
- Owners must certify that they are not the spouse, parent, child, grandparent, grandchild, sister or brother of any member of the family, unless PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the household.
- For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

- The family may not submit, and PHA will not process, more than one (1) RFTA at a time.
- When the family submits the Leasing Packet PHA will review the Leasing Packet for completeness. If the Leasing Packet is incomplete (including lack of signatures by family, owner, or both), PHA will notify the family and the owner of the deficiencies.

13.5 Eligible Units

PHA may permit households to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include:

- Single room occupancy (SRO) housing;
- Congregate housing;
- Group home;
- Shared Housing;
- Manufactured home space (where the family owns the manufactured home and leases only the space);
- Cooperative housing; and
- Homeownership option.

PHA may permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

13.6 PHA Owned Units

Otherwise eligible units that are owned or substantially controlled by PHA may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, and PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA. See **CHAPTER 23:UNIT BASED PROGRAM** for policies on PHA owned project based policies.

13.7 Ineligible Units

The following types of housing may not be assisted by PHA in the tenant-based program:

- A public housing or Indian housing unit;
- A unit receiving project-based assistance under Section 8 of the 1937 Act;
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- College or other school dormitories;

- Units on the grounds of penal, reformatory, medical, mental and similar public or private institutions; and

- A unit occupied by its owner or by a person with any interest in the unit.

13.8 Duplicative Assistance

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;

- Other Section 8 assistance (including other tenant-based assistance);

- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);

- Section 101 rent supplements;

- Section 236 rental assistance payments;

- Tenant-based assistance under the HOME Program;

- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);

- Any local or State rent subsidy;

- Section 202 supportive housing for the elderly;

- Section 811 supportive housing for persons with disabilities;

- Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or

- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, “housing subsidy” does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

13.9 Housing Quality Standards (HQS)

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD’s Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See the chapter on HQS Inspections for a full discussion of the HQS standards, as well as the process for HQS inspection.

13.10 Rent Reasonableness

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See the chapter on Rent Reasonableness for a full discussion of rent reasonableness policies.

13.11 Rent Burden

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family's share of rent does not exceed 40 percent of the family's monthly adjusted income.

13.12 Lease and Tenancy Addendum

The family and the owner must execute and enter into a written lease for the assisted unit. This written lease is a contract between the tenant family and the owner; PHA is not a party to this contract.
The tenant must have legal capacity to enter a lease under State and local law. "Legal capacity" means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Owners are required to use PHA's standard lease agreement, which includes an HCV Tenancy Addendum. Owners, upon PHA approval, may require that the tenant sign another lease addendum provided the owner's lease addendum may not supersede the HCV Tenancy Addendum.

PHA's lease includes:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to owner; and
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

13.13 Term of Assisted Tenancy

The initial term of the lease must be two years for all transfers and new admissions, unless PHA determines that a shorter term will improve housing opportunities for the family and the shorter term rent is at an amount determined to be reasonable.

The lease between the household and owner is renewed automatically for successive two year periods, unless terminated by the tenant or owner.

During the initial term of the lease, the owner may not raise the rent and/or make any changes to the lease.

Any provisions for renewal of the lease will be stated in the lease.

13.14 Security Deposit

PHA will allow the owner to collect any security deposit amount the owner determines is appropriate and is not in excess of amounts charged by the owner to unassisted tenants. Further, the security deposit collected must be in accordance with local and State laws.

Under Pennsylvania landlord-tenant law, a landlord may charge a tenant the equivalent of two months' rent for the security deposit for the first year of tenancy and the equivalent of one month's rent during all subsequent years of tenancy. If the landlord collects two months of rent as the security deposit when the lease is executed, the landlord must return one month's rent after the first year of tenancy.

When the tenant moves out of the dwelling unit, the owner, subject to State and local law, may use the security deposit, including interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund the full amount of the unused balance to the tenant.

With the exception of leases executed before October 1995, PHA will not reimburse owners for the cost of damages or other unpaid amounts owed by the tenants under the lease. The owner must collect damage payments from the tenant. For leases executed before October 1995, PHA will reimburse owners for the cost of damages or other unpaid amounts by tenants under the lease as stated in the HAP contract.

13.15 Tenancy Approval

After receiving the family's Request for Tenancy Approval, the unit passing inspection and the rent being approved by PHA, PHA will notify the family and owner as to whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, PHA will ensure that all required actions and determinations are completed, including ensuring that:

- The unit is eligible;
- The unit has been inspected by PHA and meets the Housing Quality Standards (HQS);
- Any lease addenda offered by the owner is approvable;
- The rent to be charged by the owner for the unit is reasonable;
- Where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income;
- The owner is an eligible owner, not disapproved by PHA, with no conflicts of interest; and
- The family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information.

If the terms of the RFTA are changed for any reason, including but not limited to negotiation with PHA, PHA will obtain corrected copies of the RFTA signed by the family and the owner.

13.16 Disapproval of Assisted Tenancy

If PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any reasons for disapproval. PHA will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

13.17 Lease Execution

The owner and tenant will execute the lease, including the HUD prescribed tenancy addendum and the lead based paint disclosure information.

The tenant must have legal capacity to enter a lease under the State and local law and both the tenant and owner must enter into and sign a written lease for the unit,

The owner and the assisted family will execute the lease and the owner must provide a copy to PHA and the assisted family.

13.18 Changes in the Lease

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and
- The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RFTA) along with a new lease containing the modified terms. A new tenancy must then be approved in accordance with this chapter.

See the policies in **12.8 Rent Changes** in the chapter on Rent Reasonableness and Contract Rent.

13.19 Lease Termination

The lease may be terminated by any of the following actions:

- The owner and/or tenant terminate the lease;
- PHA terminates the HAP contract; or
- PHA terminates assistance for the family.

13.20 HAP Contract

The HAP contract represents a written agreement between PHA and the owner of the dwelling unit occupied by a HCV-assisted family. The contract spells out the owner's responsibilities under the program, as well as PHA's obligations. Under the HAP contract, PHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program and assistance to households that own a manufactured home and lease the space.

13.21 HAP Contract Execution

If PHA has given approval for the family of the assisted tenancy, PHA will execute a HAP contract with the owner.

PHA will not execute the HAP contract until the owner has submitted IRS form W-9.

PHA will ensure that the owner receives a copy of the executed HAP contract.

The HAP contract will be executed no later than 60 days from the effective date of the lease.

13.22 HAP Contract Payments

At the beginning of each month during the term of the HAP contract, and subject to the provisions of the HAP contract, PHA will make monthly HAP payments to the owner on behalf of the family. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

PHA will not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 days from the beginning of the lease term, PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract) to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60 day period is void, and PHA may not make any housing assistance payments to the owner.

PHA maintains a HAP register to monitor the accuracy and timeliness of payments. HAP payments are made by electronic deposit on or about the first and the fifteenth of each month. Regular ongoing monthly payments are made on or about the first of the month. All owners are required to use electronic deposit for Housing Assistance Payments.

The amount of the HAP payment is determined according to the policies described in this Plan and is subject to change during the term of the HAP contract. PHA must notify the owner and the family in writing of any changes in the HAP payment.

- HAP payments can be made only during the lease term, and only while the family is residing in the unit.

- The monthly HAP payment by PHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant plus the PHA HAP payment should be equal to the rent specified in the lease (the rent to owner).

- The family is not responsible for payment of the HAP payment and PHA is not responsible for payment of the family share of rent.

- The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum.

- The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises

- If the owner receives any excess HAP from PHA, the excess amount must be returned immediately. If PHA determines that the owner is not entitled to all or a portion of the HAP, PHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract.

- If a household moves from an assisted unit with continued assistance, the term of the assisted lease for the new unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment in the old unit and the first assistance payment for the new unit is not considered to constitute a duplicative Housing Subsidy and, therefore, may occur.

- Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract.

By endorsing the monthly check from PHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

13.23 Late HAP Payments

PHA is responsible for making HAP payments promptly when due to the owner in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term the HAP contract provides for penalties if PHA fails to make the HAP payment on time. PHA shall pay the owner penalties if:

- Such penalties are in accordance with generally accepted practices and law, as applicable in the local housing market governing penalties for late payment of rent by a tenant

- It is the owner's practice to charge such penalties for assisted and unassisted tenants; and

- The owner also charges such penalties against the tenant for late payment of family rent to owner.

PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond PHA's control. In addition, late payment penalties are not required if PHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract.

13.24 Termination of HAP Contracts and Payments

The HAP contract and the housing assistance payments made under the HAP contract may be terminated if:

- The owner or the family terminates the lease;
- The lease expires;
- PHA terminates the HAP contract;
- PHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit;
- 180 days have elapsed since PHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by PHA;
- The Annual Contributions Contract (ACC) between PHA and HUD expires; or
- PHA elects to terminate the HAP contract.

PHA may elect to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for households in the program;
- The unit does not meet HQS size requirements due to a change in family composition;
- The unit does not meet HQS;
- The family breaks up; or
- The owner breaches the HAP contract.

If PHA terminates the HAP contract, PHA will give the owner and the family written notice. The notice will specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract.

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which PHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return any housing assistance payment received after this period to PHA.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required.

If the family moves out of the unit, PHA may not make any Housing Assistance Payment to the owner for any month after the month the family moves out. The owner may keep the Housing Assistance Payment for the month when the family moves out of the unit.

The owner must inform PHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

If the owner has commenced the process to evict the tenant and the family continues to reside in the unit, PHA must continue to make Housing Assistance Payments to the owner in accordance with the Housing Assistance Payment Contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. PHA may continue such payments until the family moves from, or is evicted from the unit, whichever is earlier.

The owner must inform PHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide PHA with a copy of such judgment or determination. The owner must inform PHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13.25 Breach of HAP Contract

Any of the following actions by the owner constitutes a breach of the HAP contract:

- The owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS;
- The owner violates any obligation under any other HAP contract under Section 8 of the U.S. Housing Act of 1937;
- The owner commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Owner non-payment of property taxes;
- For projects with mortgages insured by HUD or loans made by HUD, if the owner fails to comply with the regulations for the applicable program; or if the owner commits fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
- The owner engages in drug-related criminal activity; or
- The owner commits any violent criminal activity.

If PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

PHA rights and remedies against the owner under the HAP contract include:

- Recovery of any HAP overpayment;
- Suspension of housing assistance payments;
- Abatement of housing assistance payments;
- Reduction of the housing assistance payment;

- Termination of the payment; or
- Termination the HAP contract.

PHA may also obtain additional relief by judicial order or action.

PHA will notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. PHA will provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

CHAPTER 14: OWNERS

14.1 Overview

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating households. The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a household in the HCV program. The term “owner” includes a principal or other interested party, such as a designated agent of the owner. Owners have numerous responsibilities under the program, including screening and leasing to households, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

14.2 Owner Recruitment and Retention

PHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies may include:

- Distributing printed material about the program to property owners and managers;
- Contacting property owners and managers by phone or in-person;
- Holding owner recruitment/information meetings;
- Participating in community based organizations comprised of private property and apartment owners and managers; and
- Developing working relationships with owners and real estate brokers associations.

In addition to recruiting owners to participate in the HCV program, PHA will also provide the kind of customer service that will encourage participating owners to remain active in the program.

PHA activities that may affect an owner’s ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

PHA will provide owners with information that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

PHA will give attention to helping new owners succeed through activities such as:

- Providing the owner with a designated PHA contact person;
- Coordinating inspection and leasing activities between PHA, the owner, and the household;
- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards;
- Providing other written information about how the program operates; and
- Additional services may be undertaken on an as-needed basis, and as resources permit.

14.3 Basic Owner Responsibilities

The basic owner responsibilities according to HUD regulations are as follows:

- Perform all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease;
- Perform all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the household is suitable for tenancy of the unit;
- Maintain the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance;
- Comply with equal opportunity requirements;
- Prepare and furnish to PHA information required under the HAP contract;
- Collect from the household any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from PHA), and any charges for unit damage by the household;
- Enforce tenant obligations under the lease;
- Make modifications to a dwelling unit occupied or to be occupied by a disabled person; and
- Comply with the Violence Against Women Reauthorization Act of 2013 (VAWA) when screening and terminating tenants.

14.4 Owner Certification

PHA will conduct owner certifications for owners prior to approving tenancy and for owners when there is a transfer in ownership on existing HCV program units to certify that the owner:

- Has a current valid Philadelphia rental license;.
- Is current on all Philadelphia fines, assessments and/or payment agreements related to real estate taxes;
- Upon availability, has completed PHA's owner training course;
- Verifies ownership by producing a copy of the Deed of Record or a HUD 1 Settlement Statement or via the on-line database of the BRT (Bureau of Real Estate Taxes), provided that the owner name is an exact match;
- Has provided a verified Employer Identification Number or verified Social Security Number;
- Has provided a valid government issued photo identification; and
- Has provided a property management agreement if a property management company, agent or representative is used to oversee the property.

PHA may abate or suspend Housing Assistance Payments or terminate the HAP contract if owner certification requirements are not met.

If a landlord has an existing and current payment agreement for debt obligations related to real estate taxes, PHA will not consider HAP termination.

Owners who have real estate tax obligations and who do not have payment agreements will be required to make payment in full or establish a payment agreement.

14.4.1 Photo ID Requirement

PHA requires current government issued photo identification from owners and agents at initial lease up. In addition, PHA may require the owner and agent to produce a current government issued photo ID in the following situations:

- Request for addition of a unit to the HCV program;
- Lease and/or HAP contract execution;
- Request for a rent increase; and
- Other requests related to units on the HCV program.

14.4.2 Ongoing Rental License and Tax Payment Requirement

PHA will verify that owners have a current rental license at each biennial recertification using information provided by the City of Philadelphia. Additionally, on a biennial basis at the time of regular recertification, PHA will verify that owners are current on their real estate taxes for the property. If the Owner's rental license cannot be located in the information provided by the City, and the owner is unable to supply a current rental license, and/or if the owner is not current on real estate taxes, PHA may withhold Housing Assistance Payments or terminate the HAP contract

14.4.3 Legal Ownership of the Unit

PHA will only enter into a contractual relationship with the legal owner or contracted agent/representative of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (i.e., deed of trust, proof of taxes for most recent year).

14.4.4 Owner Training Course

PHA has an owner training course designed to support owner compliance with the HCV programs, to safeguard the people who live in the properties they manage, and to strengthen owners' commitment to provide quality affordable housing to HCV households.

Owners that are new to PHA's HCV program must successfully complete the owner training course as a prerequisite to participating in the HCV program. Owners who do not complete the owner training course are deemed ineligible for participation in the HCV program.

Existing owners who have not completed the owner training course may be required to complete the training course as a condition for continued program eligibility. Existing owners who do not complete the owner training class may be subject to termination of assistance in the HCV program when the unit comes up for renewal.

14.4.5 Other Owner Requirements

Owners are required to use Direct Deposit as the format for receipt of all HCV payments from PHA. PHA may require owners to use the PHA Portal for sole communication of all HCV program information, including but not limited to:

- Notification on the progress of a RFTA
- Rent change notices
- Inspection appointments
- Inspection results
- Request for rent increase
- PHA program updates

Effective May 2007 the following owner requirements were put into effect:

- An owner may be the responsible party for the property management of an HCV unit if the owner's primary residence or office is not more than 25 miles outside of Philadelphia.
- If the owner's primary residence or office is more than 25 miles outside of Philadelphia, the owner must hire a Property Manager.
- Any Property Manager used for property oversight must have a primary office or residence which is not more than 25 miles outside of Philadelphia and must complete PHA's Owner Training Course
- PHA will issue a 1099 tax form to the owner at the address provided to PHA.
- If an owner uses an authorized agent/landlord to manage the unit and/or make decisions on his behalf, PHA will require a signed contract between the owner and agent to certify that the individual presenting him/herself to PHA to act on the owner's behalf is authorized by the owner to do so. Such agent must also provide a current government issued photo ID and complete the PHA's Owner Training Course.
- Owner must provide a W-9 to PHA.

14.5 Owners Barred from Participation

PHA will not approve the assisted tenancy if PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. part 24. HUD may direct PHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

14.6 Leasing to Relatives

PHA will not approve an RFTA if the owner is the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of the voucher holder's family. PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction does not apply to the Section 8 homeownership program and only applies at the time that the household initially receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and households that are related may continue, but any new leases or contracts for these households may not be approved. PHA may request certification

that the owner is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of the voucher holder's family.

14.7 Owner Occupant Restrictions

PHA cannot assist applicants/tenants who own or have a financial interest in the dwelling unit they intend to rent. (Exception provision is when a unit owned as a cooperative, an applicant/tenant who is a member of the cooperative may receive HCV Rental Assistance, provided they meet all other eligibility requirements.)

14.8 Conflict of Interest

PHA will not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of PHA (except a client commissioner);
- Any employee of PHA, or any contractor, subcontractor or agent of PHA, who formulates policy or who influences decisions with respect to the programs;
- Any public official, member of a governing body, or state or local legislator, who exercises functions or responsibilities with respect to the programs; or
- Any member of the Congress of the United States.

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. PHA must submit a waiver request to the appropriate HUD Field Office for determination.

14.9 Owner Actions that May Result in Disapproval of a Tenancy Request

HUD regulations permit PHA, at PHA's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions. If PHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted households that are already living in the owner's properties unless the owner has violated the HAP contract for those units

PHA will refuse to approve a request for tenancy if PHA becomes aware that any of the following are true:

- The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act;
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of households assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents;

(ii) Threatens the health or safety of other residents, of employees of PHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

- The owner has a history or practice of renting units that fail to meet state or local housing codes; or

- The owner has not paid state or local real estate taxes, fines, or assessments.

In considering whether to disapprove owners for any of the discretionary reasons listed above, PHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of households to lease units under the program, and health and safety of participating households. Upon consideration of such circumstances, PHA may, on a case-by-case basis, choose to approve an owner.

14.10 Non-Discrimination

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with PHA.

The owner must cooperate with PHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with PHA.

14.11 Change in Ownership

An owner under a HAP contract must notify PHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by PHA.

Prior to approval of assignment the existing owner must submit, in writing, the request for change in ownership. The request must include the name and address of the new HAP payee and the effective date of the change.

The new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the PHA finds acceptable. The new owner must provide the PHA with a copy of the executed agreement.

PHA will screen new owners for outstanding property taxes and will also request a current rental license and verification of property ownership (a copy of the Deed of Record or HUD 1 Settlement Statement) from the new owner. New owners are subject to the same owner requirements as the existing owners (i.e., owner training, photo ID, etc.).

PHA will evaluate the request and inform the current owner in writing whether the change is approved by PHA.

The new owner must provide a written certification to PHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;

- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

- Confirmation that the new owner is not a prohibited relative; and
- Confirmation of completion of the PHA's owner training course or equivalent, when available.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, PHA will not approve the change in ownership.

14.12 Owner Termination of Tenancy

During the lease term an owner shall not terminate the tenancy of an assisted household except for specific reasons. See **CHAPTER 20:TERMINATION OF ASSISTANCE AND TENANCY** for specific policies on owner termination of tenancy.

CHAPTER 15: PAYMENT STANDARDS & UTILITY ALLOWANCES

15.1 Payment Standards

The payment standard sets the maximum subsidy payment a household can receive from PHA each month. Payment standards are based on fair market rents (FMRs) published annually by HUD. PHA has established a payment standard schedule with payment standard amounts for each unit size.

15.2 Updating Payment Standards

PHA updates its payment standards in concert with the updates in fair market rent or at other times in order to ensure payment standards are consistent with market conditions.

Generally, changes to payment standard amounts will be effective on November 1st of every year. If new fair market rents are published which cause any payment standard to be outside of the 90% to 110% range, PHA will implement the new payment standards prior to November 1st. PHA may change the payment standards at other times, but will maintain the payment standard between 90% and 110% of the FMR.

If PHA has already processed recertifications that will be effective on or after the effective date of the new payment standard, PHA will not make retroactive adjustments for any such recertifications.

15.3 Applying Payment Standards

PHA's schedule of payment standards is used to calculate housing assistance payments for HCV households. The payment standard is the maximum monthly assistance payment for a household assisted in the voucher program.

The payment standard for a household is the lower of:

- The payment standard for the household unit size, which is defined as the appropriate number of bedrooms for the household under PHA's subsidy standards; or

- The payment standard for the size of the dwelling unit rented by the household.

The payment standard for a Single Room Occupancy (SRO) unit is 75% of the zero bedroom payment standard.

The payment standard that applies to a household at initial lease up is the payment standard in effect when the lease is approved and executed by the tenant and owner.

The payment standard that applies to a household when a scheduled recertification occurs is the payment standard in effect when all recertification documents have been received and the recertification information is entered into the computer system.

The payment standard that applies to a household when an interim recertification occurs is the payment standard in effect at the last regular recertification.

15.4 Changes in Payment Standards

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

Decreases
If the amount on the payment standard schedule is decreased during the term of the HAP contract, the application of the lower payment standard amount will generally be deferred until the **second** regular reexamination following the effective date of the decrease in the payment standard amount.

For example, if according to the payment standard schedule, the payment standards **in effect** are as follows:

- At admission: $964
- At first reexamination: $931
- At second reexamination: $881

Then the payment standards **applied** would be as follows:

- At admission: $964
- At first reexamination: $964
- At second reexamination: $931
- At following reexamination: $881 (unless the payment standard increases)

Increases
If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the household beginning on the effective date of the household's first regular recertification on or after the effective date of the increase in the payment standard. Households requiring or requesting interim recertifications will not have their HAP payments calculated using the higher payment standard until their next scheduled recertification.

MTW Policy

PHA will apply the current applicable payment standard at each regular recertification regardless of the fluctuations in the payment standards from the last regular recertifications. In the event a rent freeze or across-the-board increase implemented to address market conditions includes a payment standard modification, the payment standard as applied to a particular unit may change in between recertifications.

For example, if the payment standard in effect at the last recertification was $900 and the payment standard in effect at the current recertification is $890, PHA will use $890 as the payment standard for the current recertification. If the payment standard in effect at the last recertification was $700 and the payment standard in effect at the current recertification is $750, PHA will use $750 as the payment standard for the current recertification.

15.5 Changes in Household Unit Size - Payment Standards

Irrespective of any increase or decrease in the payment standard, if the household unit size increases or decreases during the HAP contract term, the new household unit size must be used to determine the payment standard for the household at the first regular recertification after the change.

15.6 Tenant Rent Changes due to Changes in Payment Standards

The payment standard for the household must be changed at the time of regular recertification if one of the following occurs:

- PHA's payment standard applicable to the household has changed;
- New subsidy standards have been adopted by PHA that change the unit size for which the household qualifies;
- The household's size or composition has changed, requiring a different unit size; or
- The household moves, and the new unit has a different payment standard.

The tenant rent to owner may change if the payment standard change results in a gross rent that exceeds the payment standard.

15.7 Reasonable Accommodation - Payment Standards

If a household requires a higher payment standard as a reasonable accommodation for a household member who is a person with disabilities, PHA may establish a higher payment standard for the household of not more than 120 percent of the published FMR without HUD approval.

A household that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The household must document the need for the exception. In order to approve an exception up to 120% of the FMR, or request an exception from PHA will determine that:

- There is a shortage of affordable units that would be appropriate for the household;
- The household's TTP would otherwise exceed 40 percent of adjusted monthly income; and
- The rent for the unit is reasonable.

15.8 Exception Payment Standards

PHA will request HUD approval to establish payment standards higher than the basic range (90% to 110% of the FMR). At HUD's sole discretion, HUD may approve a payment standard amount higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program households in the exception area. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

MTW Policy

Upon HUD approval, using its MTW flexibility, PHA may approve payment standards up to 120% of the FMR to support leasing for existing voucher households and/or new voucher holders who wish to move to areas with empirically-documented improved educational systems, job opportunities, social services and other opportunities in the expectation that over time their need for housing and other subsidies will abate or diminish.

See **22.10 Nursing Home Transition Initiative (NHTI)** for PHA MTW policy on exception payment standards for NHTI program units.

15.9 Utility Allowance

A Utility Allowance (UA) is paid to households to help defray the cost of utilities not included in the rent. If utilities, or a portion of them, are not included in the rent or paid directly to the utility company on the household's behalf after notice to the household, the appropriate utility allowances are subtracted from the Total Tenant Payment (TTP) to determine the actual Family Rent to Owner. The household is responsible for paying the cost of utilities directly to the service providers.

The UA includes electricity, gas, water, sewer and charges for other services such as garbage removal and is determined by the size of the unit, type of building and type of utility.

PHA will cooperate with households seeking a release by a utility company of a credit balance on a household's utility account, but PHA may limit requests for release to once per year. PHA may condition its consent upon payment of delinquent rent and/or upon the utility's retention of a reserve for seasonal fluctuations in consumption.

15.10 Utility Allowance Schedules

PHA has established a UA schedule for use in determining family share and PHA subsidy. The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, PHA used normal patterns of consumption for the community as a whole, and current utility rates. PHA does not maintain a UA for tenant-supplied ranges since landlords are required to provide ranges as part of the Philadelphia Code. PHA does not maintain a UA for tenant-supplied refrigerators since the majority of units in the HCV program are equipped with owner-supplied refrigerators.

MTW Policy
PHA will periodically, at its discretion, review HCV utility allowance schedules to determine if adjustments are required. Annual updates will not be required.

PHA maintains UA schedules for the following:

- Any tenant-paid utilities (except telephone and cable TV service) based upon normal consumption by an energy-conscious household and based upon households that occupy housing of similar size and type in the same locality; and

- Any other household-paid housing services (i.e., trash collection).

15.11 Alternate Utility Allowance Program

MTW Policy

PHA, using its MTW authority, is working to identify local discount programs to assist households in paying their utility bills while providing alternate methods for calculation of utility allowances. One such program, which has been identified by PHA, is the Philadelphia Gas Works Customer Responsibility Program.

MTW, HCV Tenant-Based Program households who are responsible for paying gas heat and who are income eligible to participate in the PGW Customer Responsibility Program (CRP) will have the gas portion of their utility allowances calculated using PHA's CRP MTW utility policy. Participation in the PGW CRP program places a cap on the amount of money that eligible tenants will be required to pay

for their gas utility payments based on household income, not consumption. The minimum gas UA provided under this program is $25.

PHA will utilize the PGW CRP program methodology to calculate the gas utility allowance, except in those limited circumstances where the CRP calculated amount exceeds PHA's gas utility allowance schedule. In these cases PHA will apply the PHA gas utility allowance.

- Example 1: A CRP eligible household, under CRP, has a monthly gas charge of $44. If the PHA gas UA for that household were $50, PHA would apply the $44 CRP amount as the UA for this household. $44 is the monthly amount that PGW would charge the tenant for gas.

- Example 2: A CRP eligible household, under the CRP program, has a monthly gas charge of $56. Using PHA's utility allowance schedule, this household would have a gas UA of $40. PHA will apply the PHA gas utility allowance ($40) since it is lower than the CRP calculation.

If a CRP household has an interim rent reduction due to a decrease in household income or size, PHA will conduct the interim recert. (subject to the MTW limit on interim reexams) and adjust the gas UA to be consistent with the MTW CRP utility allowance calculation policy.

- Example: A CRP household member loses his job and the household income decreases. Under CRP, PGW will lower the monthly gas charge for this household (remember the gas charge is a percent of household income). PHA will process an interim rent reduction for this household to reflect the decrease in income. PHA will also recalculate the CRP UA for this household and apply the new CRP UA on the effective date of the interim reexamination.

PGW requires households to report increases in income. If a CRP household requests an interim recert. due to an increase in their CRP gas charge, PHA will conduct an interim reexam (subject to the MTW limit on interim reexams). PHA will verify and <u>update all household income and adjust the both the tenant rent and UA</u>. PHA will update the UA for zero income households upon reporting of income.

PHA will consider exceptions to these policies on a case-by-case basis for households that can demonstrate a hardship will result from application of the policies to them or as a reasonable accommodation. To qualify for a hardship exemption, a household must submit a request for a hardship exemption in writing. The request must identify the reason for the hardship and be accompanied by applicable documentation. Requests for hardship must be received within ten (10) business days from the date of CRP denial or calculation of charges. Examples of reasons for a hardship exemption related to application of the CRP UA policy may include but are not limited to:

- Households who have a CRP utility allowance applied by PHA, but who were denied participation in the CRP program by PGW. A copy of the denial letter must be provided with the hardship request.

- Households with PGW calculated CRP gas charges that are greater than the PHA calculated CRP utility allowance. The PHA CRP UA will not factor in any amounts imposed by PGW for collection related to utility bills which are in arrears. A copy of the PGW income and CRP charge calculation must be provided with the hardship request.

The PGW-CRP Alternate UA program does not apply to Non-MTW Vouchers, Port-Out Vouchers, Port-In Vouchers or Project Based Households.

15.12 Applying Utility Allowances & Schedules

PHA's established utility allowance schedule is used in determining family share and PHA subsidy.

The utility allowance for a household shall be the lower of: (1) The utility allowance amount for the authorized voucher size under PHA's occupancy standards; or (2) the utility allowance amount for the unit size of the unit rented by the household.

The utility allowance schedule that applies to a household at initial lease up is the utility allowance schedule in effect on the lease effective date.

The utility allowance schedule that applies to a household when any certification transaction (i.e. interim, or regular recertification) occurs is the utility allowance schedule in effect on the certification effective date.

MTW Policy

PHA's established utility allowance schedule is used in determining family share and PHA subsidy for all utilities, except in cases of the gas UA where the household is eligible for participation in the PGW Customer Responsibility Program (CRP).

PHA uses the lower of the actual unit size or voucher size to determine the utility allowance, except in cases of the gas UA where the household is eligible for participation in the PGW CRP.

The utility allowance schedule that applies to a household at initial lease up is the utility allowance schedule in effect on the lease effective date.

If the household is eligible for PGW's CRP program, the gas utility allowance that will be applied at initial lease up is the lower of the PGW capped gas charge or PHA's gas utility allowance schedule in effect on the lease effective date.

The utility allowance schedule that applies to a household when any certification transaction (i.e. interim or regular recertification) occurs is the utility allowance schedule in effect on the certification effective date.

If the household is eligible for PGW's CRP program, the gas utility allowance schedule that will be applied when a certification (regular or interim) occurs is the lower of the PGW capped gas charge or PHA's gas utility allowance schedule in effect on the certification effective date.

See policies in **15.11Alternate Utility Allowance Program** for guidance on the application of the UA at the time of interim reexamination for CRP eligible households.

See continued occupancy policies at **16.16.2 Utility Allowance Schedule and Payment Standard at Interim Recertification** and **Changes in Family Composition, Voucher Size & UA** for further information on policies related to utility allowances at interim recerts and when family composition changes.

15.13 Utility Allowance for SRO

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

15.14 Reasonable Accommodation – Utility Allowances

PHA may approve a utility allowance amount higher than shown on PHA's schedule if a higher allowance is needed as a reasonable accommodation for a household member with a disability. For example, if a

household member with a disability requires such an accommodation, PHA may approve an allowance for air-conditioning, even though PHA has determined that an allowance for air-conditioning generally is not needed.

A household that requires a reasonable accommodation may submit a written request for a higher utility allowance at the time the Request for Tenancy Approval (RFTA) is submitted. The household must document the need for the additional allowance.

15.15 Air Conditioning

The majority of the housing units in PHA's market do not provide central air conditioning. PHA may provide a UA for air conditioning only if there is appropriate wiring for tenant-installed air conditioning units or as a reasonable accommodation for a person with disabilities. PHA will evaluate, on a case-by-case basis, approval of a higher UA as a reasonable accommodation for a person with disabilities to make the program accessible to and usable by the household member with a disability.

15.16 Utility Allowance Schedule Revisions

Revised utility allowance schedules will be applied to a household's rent calculations at the next certification (regular or interim) after the allowance is adopted or at one time across all affected households. The approach taken will be at the discretion of PHA.

15.17 Changes to Fuel Type and Payment Responsibility for Utilities

Tenant-based assistance shall not be continued unless PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner if there are any changes in lease requirements governing tenant or owner payment responsibilities and/or fuel type for utilities or appliances.

Owners requesting a change to the utility fuel type or payment responsibility must make the request to PHA no earlier than 120 calendar days and no later than 90 days prior to the lease anniversary date.

CHAPTER 16: CONTINUED OCCUPANCY

16.1 Overview

PHA is required to monitor each household's income and composition over time, and to adjust the household's rent accordingly. Policies governing reasonable accommodation, household privacy, required household cooperation and program abuse, as described elsewhere in this Administrative Plan, apply to regular and interim recertifications. PHA is required to obtain information needed to conduct recertifications. Households are required to provide current and accurate information on income, assets, allowances and deductions, and household composition as part of the recertification process.

16.2 Requirements for Continued Occupancy

Tenants who meet the following criteria will be eligible for continued occupancy:

- Qualify as a household as defined in this policy;
- Maintain full compliance with the family obligations and responsibilities as described in the dwelling lease;
- Meet HUD standards on citizenship or immigration status or pay a prorated rent;
- Supply true and complete information that PHA or HUD determines to be necessary to determine continued eligibility;
- Disclose and verify social security numbers and sign and submit consent forms for obtaining information or have certifications on file indicating that they are not eligible to receive a Social Security number;
- Use the assisted unit for residence by the family;
- Use the assisted unit as the family's only residence;
- Allow PHA to inspect the unit at reasonable times and after reasonable notice;
- Request PHA approval to add household members as occupants of the unit. PHA's approval of such additions is subject to the household composition requirements;
- Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease;
- Comply with lease requirements regarding notification to PHA and the owner before moving out of the unit or terminating the lease;
- Never sub-lease or sub-let the unit;
- Promptly give PHA a copy of any owner eviction notice;
- Never commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
- Never 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;

- 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;

- Not own or have any interest in the unit (other than in a cooperative and owners of a manufactured home leasing a manufactured home space); and

- Not receive HCV program assistance while residing in a unit owned by a spouse, parent, child, grandparent, grandchild, sister or brother of any member of the family, unless PHA has determined (and has notified the owner and the household of such determination) that approving rental of the unit, notwithstanding such relationship, would provide a reasonable accommodation for a household member who is a person with a disability.

16.3 Regular Recertification

Non-MTW Policy:
PHA conducts a recertification of household income and composition at least annually. This includes gathering and verifying current information about household composition, income, and expenses. Based on this updated information, the household's income and rent must be recalculated.

MTW Policy – Biennial Recertification

PHA conducts a recertification of household income and composition on a biennial basis. This includes gathering and verifying current information about household composition, income, and expenses. Based on this updated information, the household's income and rent must be recalculated. Biennial recertification applies to MTW tenants in the tenant based and MTW unit based programs. PHA also completes biennial recertifications for households in the Homeownership Program.

If a family believes they would benefit from being recertified annually, the family may request an annual recertification.

MTW Policy – Triennial Recertification

Upon HUD approval, using its MTW authority, PHA will perform recertifications for elderly and disabled households on fixed incomes on a triennial basis. In order to qualify for a triennial recertification schedule, all household income must be from a fixed source such as social security, supplemental security income, or pension. Elderly/disabled households on triennial schedules will be permitted to request an interim re-examination at any time. Households with members who have fully excluded wage income and other fixed income sources will not be considered fixed income households. For example, a household has a disabled head of household and an adult full time student who has a job. The head of household has only SSI income. Even though PHA is going to exclude all of the adult full time student's earned income, PHA will not consider this household as a fixed income household. They would not qualify for triennial recertifications.

If a family believes they would benefit from being recertified annually, the family may request an annual recertification.

16.4 Notification of and Participation in the Regular Recertification Process

With the exception of households who are eligible for mail-in recertifications, all household members who are 18 years of age and older are required to attend the recertification interview. If participation in an in-person interview poses a hardship because of a household member's disability, the household should contact PHA to request a reasonable accommodation.

Notification of recertification interviews will be sent by first-class mail. In addition, it will inform the household of the information and documentation that must be brought to the interview.

If the household is unable to attend a scheduled interview, the household should contact PHA in advance of the interview to schedule a new appointment. If a household does not attend the scheduled interview, PHA will send a second notification with a new interview appointment time.

If a household fails to attend two scheduled interviews without PHA approval, the household will be in violation of their lease and may be terminated in accordance with the continued occupancy policies.

An advocate, interpreter, or other assistant may assist the household in the interview process.

16.5 Conducting Recertifications

As part of the recertification process, households are required to provide updated information to PHA regarding the household's income, expenses, and composition

Households are asked to bring all required information (as described in the recertification notice) to the recertification appointment. The required information includes supporting documentation related to the household's income, expenses, and composition.

The information provided by the household generally must be verified according to the policies in this Plan. Unless the household reports a change, or the agency has reason to believe a change has occurred in information previously reported by the household, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity, i.e. photo ID;
- Age;
- Social security numbers ; and
- Citizenship or immigration status.

If a household fails to attend two scheduled interviews without PHA approval, the household will be in violation of their lease and may be terminated in accordance with the continued occupancy policies,

16.6 Required Information

PHA is required to obtain information needed to conduct recertifications. Households are required to provide current and accurate information on income, assets, allowances and deductions and household composition as part of the recertification process. All documentation must be provided to PHA within five (5) business days from the date of PHA's request. If the family is unable to obtain the information or materials within the required time frame, PHA may provide a reasonable extension as necessary. If the tenant does not provide the required documents or information within the required time frame (plus any extensions), the tenant and owner will be sent a Pending Termination Letter.
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16.7 Scheduling Recertifications

PHA begins the regular recertification process 150 days in advance of the scheduled effective date. Generally, PHA schedules recertification effective dates to coincide with the household's lease anniversary

date. PHA may also schedule a recertification for completion prior to the anniversary date for administrative purposes. See **17.5 Recertification of Household Income and Composition During Moves** for policies related to recertification and moves.

16.8 Mail-In Recertification

PHA completes mail-in reexaminations for certain targeted households. PHA sends a mail-in reexamination packet to the household, the household completes the forms in the packet and provides the required documents and then sends the packet back to PHA. PHA processes the reexamination and provides a PHA Rent Change Notice to the tenant and owner to advise them of their new rent and effective date.

PHA will complete mail-in reexams for the following:

- Single adult households, regardless of income source or voucher size; and
- Elderly households on fixed income who have one bedroom vouchers.

Mail-in reexaminations CANNOT be completed when there is a change in the household composition. If the tenant has had a change in household composition or is requesting to add or remove a household member, PHA will send the household a Recertification Appointment Letter to schedule an on-site recertification appointment.

If the recertification package is returned to PHA as undeliverable, PHA will mail the household and owner a Pending Termination Letter and follow applicable termination policies.

16.8.1 Documents not Returned Timely – Mail-In Recertification

After 14 days, if recertification documents have not been returned to PHA, PHA will send a "Mail-In Recertification Reminder Notice". If the household fails to return the packet after an additional 7 business days, PHA will schedule an on-site recertification appointment and send the household an appointment letter. If the household fails to attend the scheduled on-site recertification appointment, PHA will send the tenant and owner a Pending Termination Letter.

16.8.2 Missing Information – Mail-In Recertification

If the household does not or is unable to provide all required information/documents needed to complete the mail-in recertification, PHA will send a request for additional information. This information must be provided by the household within five (5) business days from the date of the request; however, the household may request an extension. If the household does not provide the required documents or information within the required time frame (plus any extensions), the tenant and owner will be sent a Pending Termination Letter.

16.9 Standard for Timely Reporting of Changes

Generally, PHA requires that households report changes in the household's income, expenses, and composition as described in this Administrative Plan to PHA within 30 calendar days from the date the changed occurred. Any information, document or signature needed from the household to verify the change must also be provided within 30 calendar days from the date the change occurred, unless another time frame is specified in the specific policy.

If the change is not reported within the required time period, or if the household fails to provide signatures, certifications or documentation, in the time period required by PHA, it will be considered program non-compliance and may subject the household to termination from the program.

16.10 Determining Ongoing Eligibility of Certain Students

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

If a student enrolled in an institution of higher education meets the qualifications below, the student's eligibility must be reexamined and continued eligibility determined on a regular basis.

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

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated.

16.11 Household Member Turning 18 Between Recert Interview & Recert Effective Date

Income &Deductions
When a household member will turn 18 between the date of the recertification interview or date of receipt of mail-in recert materials, and on or before the effective date of the recertification, PHA will include the household member's income in the calculation of annual income. For example, a household has a recertification effective date of November 1st. One of the household members, at the recertification interview on September 1st is still 17, but will turn 18 on September 30th. PHA will calculate the income of that household member as if he/she was an adult, since the household member will be 18 by the effective date of the recertification. Deductions will also be applied as if the household member was an adult. For example, the household with a member who is 17 at the recertification interview, but 18 on the recertification effective date will NOT be given a dependent deduction for the household member who is turning 18 unless that household member is a full time student or disabled.

Release Forms
When a household member will turn 18 between the date of the interview or date of receipt of mail-n recert materials, but on or before the effective date of the recertification, PHA will have a parent/legal guardian sign any consent/release forms on behalf of that household member in order to authorize PHA to obtain their income verification.

Criminal Background Check
When a household member will turn 18 between the date of the interview or date of receipt of mail-n recert materials, but on or before the effective date of the recertification, PHA will have a parent/legal guardian sign the consent for criminal background check on behalf of that household member in order to authorize PHA's criminal background check. PHA will conduct a criminal background check as part of the recertification process.

See **4.19 Criminal Background Screening** for policies regarding household members who turn 18 during the recertification period.

Subsequent Recertifications and Background Checks
After the recertification effective date, if PHA wishes to complete verifications or background checks on a household member who was not 18 at the recertification interview or as of the date of receipt of the mail in recert materials, but who subsequently turned 18, PHA will obtain that household member's signature on any required release form before conducting any type of verification or background check. If no other verifications or background checks are completed between regularly scheduled recertifications, PHA will wait until the next regular recertification to obtain the executed release forms from the household member who had turned 18 between the regularly scheduled recertifications.

16.12 Effective Dates of Rent Changes

As part of the recertification process, PHA must make appropriate adjustments in the rent after consultation with the household and upon verification of applicable information.

16.12.1 Effective Date of Rent Changes at Regular Recertification

Increases in Rent
In general, an increase in the tenant rent that results from a regular recertification will take effect on the household's anniversary date, and the household will be notified at least 30 days in advance. If less than 30 days remain before the scheduled recertification effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the household causes a delay in processing the regular recertification, increases in the family share of the rent will be applied retroactively to the scheduled effective date of the recertification. The household will be responsible for any underpaid rent and may be offered a repayment agreement at the discretion of PHA. When a household causes a delay in processing the recertification, PHA will not provide the household with 30-day advance notice of the rent increase.

Decreases in Rent
In general, a decrease in the tenant rent that results from a regular recertification will take effect on the household's anniversary date.

If the household causes a delay in processing a recertification, decreases in the family share of the rent will not be applied retroactively. The decrease in rent will be effective on the first day of the month following completion of the recertification processing.

Delays in Recertification Processing
A delay in recertification processing is defined as delays considered to be caused by the household if the household fails to provide information requested by PHA by the date specified and/or fails to attend scheduled recertification interviews without good cause, and these delays prevent PHA from completing the recertification as scheduled.

16.12.2 Effective Dates for Rent Changes at Interim Recertifications

Increases in Rent
An increase in family share of the rent at the time of an interim recertification will be effective on the first of the month following 30 days' notice to the household.

If a household fails to report a required change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis. The household will be responsible for any overpaid subsidy

Decreases in Rent
A decrease in family share of the rent at the time of an interim recertification will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted. In cases where the change cannot be verified, through no fault of the tenant, until after the date the change would have become effective, the change will be made retroactively. If a household fails to report a decrease in income timely, PHA will NOT apply the decrease in rent retroactively.

16.13 Notification of New Family Share and HAP Amount

PHA will notify the owner and family of any changes in the amount of the HAP payment and family share. The notice will include the following information:

- The amount and effective date of the new HAP payment; and
- The amount and effective date of the new family share of the rent;

16.14 Notice to Ineligible Households

PHA will provide prompt written notice of a decision that the household has been determined to be ineligible for continued program participation. The written notice will contain a statement on the reason for the ineligible decision. The notice will include information related to requesting an informal hearing in the event that the tenant does not agree with the determination.

16.15 Unit Size Determinations

During regularly scheduled and interim recertifications, the household composition will be evaluated to determine the voucher size appropriate to their needs, using PHA's occupancy standards.

If a change in household size causes a violation of HQS space standards, PHA will issue the household a new voucher and the household must try to find an acceptable unit as soon as possible. See **17.3 Emergency Moves** policies for moves related to a violation of HQS space standards.

If the household authorized voucher size increases or decreases during the HAP contract term, the new voucher size must be used to determine the payment standard amount for the household beginning at the household's first regular reexamination following the change in voucher size. What this means is that PHA will apply the payment standard for the smaller of the actual unit size or authorized voucher size at the household's first regular reexamination following the change.

Example 1: A household has a 2 BR voucher and is occupying a 2 BR unit. Due to an interim recertification to add a child to the household, the household is now eligible for a 3 BR voucher. The household decides to remain in their existing 2BR unit as they are not exceeding the max HQS space standards. PHA will increase the voucher size at the interim recertification when adding the household member and will use the new voucher size to determine the payment standard at the first regular recertification following the change. In the case of this household, the payment standard applied would be the smaller of the voucher size or actual unit size. Since the household stayed in the 2 BR unit, PHA would use the 2 BR payment standard.

Example 2: A household has a 2 BR voucher and is occupying a 3 BR unit. Due to an interim recertification to add a child to the household, the household is now eligible for a 3 BR voucher. The household decides

to remain in their existing 3 BR unit. PHA will increase the voucher size at the interim recertification when adding the household member and will use the new voucher size to determine the payment standard at the first regular recertification following the change. In the case of this household, the payment standard applied would be the smaller of the voucher size or actual unit size. Since the household lives in a 3 BR unit and they now have a 3 BR voucher, PHA would use the 3 BR payment standard at the first regular recertification after the change in household composition. If the household had reported the change at their regular recertification, PHA would apply the new voucher size and payment standard at that regular recertification.

16.16 Interim Recertification

Household circumstances may change throughout the period between recertifications. PHA policies dictate what kinds of information about changes in household circumstances must be reported, and under what circumstances PHA will process interim recertifications to reflect those changes. PHA may also conduct interim recertifications of household income or composition at any time to ensure compliance with program reporting requirements. An interim recertification does not affect the date of the regular recertification.

When a household reports a decrease in wages/benefits and/or an increase in permissible deductions, PHA will verify all income and expense information for the household member for whom the change is reported. Additionally, when a household reports removal of a household member, PHA will verify that the household member has vacated the unit. Income/expense changes for other household members are not required to be reviewed or verified during interim recertifications.

The head of household and individual reporting the change are required to attend an interview for an interim recertification. Based on the type of change reported, PHA will determine the documentation the household will be required to submit.

PHA requires all households to complete an Application for Continued Occupancy when an interim recertification is conducted.

If a household reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the household's share of the rent will not be reduced.

PHA may require participating households to complete an interim recertification and/or interim verifications at additional times to ensure that the tenant is in compliance with program eligibility and other requirements.

16.16.1 Limits on Interim Recertification

Non-MTW Policy:
At any time, PHA may conduct an interim reexamination of family income and composition. At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. PHA will make the interim determination within a reasonable time after the family request.

MTW Policy

Tenants may request no more than one (1) voluntary interim recertification every six (6) months. The six month clock restarts on the effective date of each regular recertification. Required interim recertifications do not count toward the limit on interim recertifications.

Elderly/disabled are exempt from the limit on voluntary interim recertifications.

Notwithstanding the limit on interim recertifications, PHA will process a voluntary interim rent reduction if and when the reduction in income is expected to last for more than 30 days.

Interim recertifications for increases in earned income for FSS participants will not be counted toward the limit on voluntary interim recertifications.

PHA may approve an additional interim rent adjustment, beyond the limit, if the tenant adequately demonstrates to PHA that they have suffered a financial hardship that necessitates an additional interim rent adjustment.

16.16.2 Utility Allowance Schedule and Payment Standard at Interim Recertification

During an interim recertification PHA will apply the payment standard in effect at the last regular recertification. For example, if the payment standard in effect at a tenant's last regular recertification was $500 and the payment standard in effect on the effective date of the interim recertification is $550. PHA will use the payment which was in effect at the last regular recertification which was $500.

During an interim recertification PHA will apply the utility allowance schedule in effect on the interim recertification effective date.

MTW Policy

Households on the Alternate UA CRP Program will have utility allowances updated at the time of interim recertification consistent with the **15.11 Alternate Utility Allowance Program** policies.

16.17 Optional Interim Reporting

Households may request an interim recertification under the circumstances outlined below:

- They receive a decrease in income which may result in a rent decrease; or
- They have an increase in applicable allowances or deductions.

For MTW households, limits apply as noted in **16.16.1 Limits on Interim Recertification**.
Households are not required to report increases in household income except under circumstances as described in this Plan.

16.18 Required Interim Reporting

PHA determines the circumstances under which households will be required to report changes in circumstances between regular recertification.

16.18.1 Change in Household Composition

Interim recertifications for changes in household composition are required. The addition of a minor household member as a result of birth, adoption, or court-awarded custody does not require prior PHA approval. All other changes in household composition require prior approval from PHA.

Households must report all changes in household composition within 30 days of the occurrence.

Household composition changes include increases in the number of dependents, addition of new household members, addition of a live-in aide, or loss of a household member (deceased or moved out.) If an individual is added to the household between scheduled recertifications, only the new member's income will be verified as part of the interim recertification. For the loss of a household member, PHA will remove the household member's income/deductions/expenses as applicable, but will not verify or update the income of the other household members; however, PHA will reverify public assistance benefits at any interim recertification when a household currently receiving public assistance benefits adds or removes members from the household

Changes in household composition may make it appropriate to downsize the voucher to comply with occupancy standards. See **6.4 Changes in Family Composition, Voucher Size** and **15.5 Changes in Household Unit Size - Payment Standards** for applicable policies.

Requests to accommodate additional household members based on health-related reasons must be verified by a doctor/medical professional and/or social service professional.

New Household Members Requiring Approval

With the exception of children who join the household as a result of birth, adoption, or court-awarded custody, a tenant must request PHA approval to add a new family member or other household member (spouse, inter-dependent relationship partner, live-in aide or foster child).

This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days, or 90 cumulative days, within a twelve month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by PHA prior to the individual moving in the unit.

PHA will not approve the addition of a foster child or foster adult if it will result in the need for a larger unit according to PHA occupancy standards.

PHA will not approve the addition of other adult household members other than by reason of marriage or interdependent relationship or domestic partnership. PHA may grant exceptions to this policy as a reasonable accommodation for a person with disabilities.

PHA will not approve the addition of a new family or household member unless the individual meets PHA's eligibility and screening criteria. If PHA determines that an individual does not meet PHA's eligibility and screening criteria, PHA will notify the tenant in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

Departure of a Household Member

If a household member ceases to reside in the unit, the tenant must inform PHA within 30 calendar days. This requirement also applies to a household member who has been considered temporarily absent at the point that the household concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the tenant must inform PHA within 30 calendar days.

16.18.2 Temporary and Sporadic Income

Households reporting only temporary or sporadic income are required to report increases in income between regular recertifications. Temporary and sporadic income is excluded from the calculation of annual income. Households/household members reporting only temporary or sporadic income will be subject to policies set forth in **10.23 Verification of Zero Income** and **16.18.3 Zero Income**. PHA will conduct an interim recertification when a household member with temporary or sporadic income reports income.

16.18.3 Zero Income

Zero income households and zero income individuals are required to report monetary and/or non-monetary changes in income or benefits between regular recertification periods. PHA will conduct an interim recertification when a zero income household or individual reports income.

Once income or benefits are reported, the household is no longer required to report increases in income/benefits until the next regular recertification. **10.23 Verification of Zero Income** includes specific verification policy guidance on this subject.

Households/household members are required to report monetary and/or non-monetary changes in income within 30 calendar days from the date the change occurred.

Every 180 days, PHA will run an EIV check on zero income households and take action as required for unreported income. PHA will not conduct EIV checks every 180 days for zero income individuals; however, PHA reserves the right to run an EIV check to ensure program integrity.

16.18.4 Earned Income Disallowance (Non-MTW)

For households receiving the Earned Income Disallowance (EID), PHA will conduct an interim recertification at the start and conclusion of the second 12-month exclusion period (50 percent phase-in period). PHA will also conduct interim recertifications for households that qualify for the EID when the EID household's share of rent will change as a result of the increase. In all other cases, PHA will note the information in the tenant file, but will not conduct an interim recertification.

16.19 Interim Recertification – Other

If at the time of regular recertification, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, PHA will conduct an interim recertification if the difference in income is greater than $2,400/year.

PHA may conduct an interim recertification at any time in order to correct an error in a previous recertification, or to investigate a tenant fraud complaint.

16.20 Discrepancies

During a regular or interim recertification, PHA may discover that information previously reported by the household was in error, or that the household intentionally misrepresented information. In addition, PHA may discover errors made by PHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with policies found in **CHAPTER 21:PROGRAM INTEGRITY**.

16.21 Absence from the Unit

The tenant must supply any information or certification requested by 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. PHA may review on a case-by-case basis, circumstances which dictate a household's absence from the unit. Exceptions to absence from the unit policies are discussed in the chapter on Occupancy Standards. PHA's established policies on absence from the unit include the following:

- The family may be absent from the unit for brief periods.

- The family may not be absent from the unit for a period of more than 183 calendar days in a calendar year for any reason.

- Housing Assistance Payments terminate if the family is absent for longer than 183 calendar days in a calendar year. The HAP contract and assisted lease also terminate (the owner must reimburse PHA for any Housing Assistance Payments received for the period after the termination).

- Absence means that no member of the family is residing in the unit.

- To verify family occupancy or absence, PHA may send request letters to the family at the unit, make phone calls or visits and/or conduct other appropriate inquiries.

- The family must remain in compliance with the terms of the HCV Program and their assisted lease during any absence from the unit.

16.22 Military Families – Absence from the Unit & Continued Occupancy

PIH Notice 2003-5 encourages PHAs and private owners to be as lenient as responsibly possible to support military families. In accordance with this Notice, on a case by case basis, PHA will make reasonable exceptions to program requirements with respect to program requirements for active duty military families, to the extent PHA can do so while responsibly administering the HCV program.

These exceptions will be granted at PHA's sole discretion, and should be primarily granted with respect to program requirements impacted by household members who are temporarily absent from the assisted unit due to their active duty.

Exceptions must be approved by the Executive Vice President for Leased Housing or his/her designee. Households who cannot adhere to basic program requirements without the active military person present will not be granted exceptions.

Exceptions related to military families may include, but are not limited to:

- Allowing a suitable guardian to move into the assisted unit on a temporary basis to care for any dependents that the military person leaves in the unit. Income of the guardian temporarily living in the unit solely for this purpose is not to be counted in determining household income and rent;

- Carefully considering the circumstances of any case involving delayed payment of rent by the household;

- Granting exceptions to the Administrative Plan policies concerning family absences from the unit to continue HAPs to the owner on behalf of the military family even though all members of the family are temporarily absent from the assisted unit;

- Using provisional documents and income information to complete a recertification and then conducting an interim recertification when the military personnel's information is available.

16.23 Remaining Members of the Tenant Family

Tenant families who separate while being assisted under the tenant-based programs will be assessed on a case-by-case basis to determine which family members remain assisted under the program. PHA policy is as follows:

- The head of household, co-head or remaining family member of the household who has full legal custody of any minor children in the unit will retain the use of the tenant-based voucher.

- In cases where the head of household and co-head have a joint custody arrangement for minor children, the original Head of Household will retain the use of the tenant-based voucher.

- In cases where the head of household dies, leaving minor children, the new head of household will be subject to all PHA eligibility and admission requirements.

- In cases where there is a head of household and a co-head with no minor children, the original head of household will retain the use of the tenant-based voucher.

- In the event that the head of household moves out of the assisted unit or dies, a remaining adult household member (with or without children in the unit) may retain use of the tenant-based voucher if that adult has been part of the household for at least one year, is in compliance with all program rules and regulations and meets all other program eligibility and continued occupancy requirements.

- In cases where a live-in aide is added to a household as a result of a care situation for an elderly or disabled household member, the live-in aide is not considered to be a remaining family member and is not eligible to retain the use of the tenant-based voucher.

- Foster children and foster adults are never considered remaining family members and have no rights to the voucher or unit when and if the head of household or co-head moves out of the unit, is evicted or is deceased.

- If a separation is the result of a divorce or separation under a settlement or judicial decree, PHA will follow any court determination of which family members keep the voucher assistance.

- In order for a minor to continue to receive assistance as a remaining family member, the court has to have awarded emancipated minor status to the minor or PHA has to verify 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 of time.

- If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA will ensure that the victim remains on the program.

- If exceptional circumstances exist concerning the remaining member of a tenant family, a discretionary administrative determination may be made by the HCV program designee on a case-by-case basis.

16.24 Guests

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

A guest can remain in the assisted unit no longer than 30 consecutive days during any twelve month period or 90 cumulative days during any 12-month period, unless an exception is made under extenuating circumstances as determined and granted in writing by PHA.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a household member because they live outside of the assisted household more than 50 percent of the time (at least 183 days/year), are not subject to the time limitations of guests as described above.

A household may request an exception to this policy for valid reasons (i.e., care of a relative recovering from a medical procedure is expected to last more than 30 consecutive days). An exception will not be made unless the household can identify and provide documentation of the residence to which the guest will return.

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

CHAPTER 17: MOVING WITH CONTINUED ASSISTANCE

17.1 Overview

Households may seek a move to another unit within PHA's jurisdiction. PHA's policies describe when a household may move to a new unit with continued tenant-based assistance.

17.2 Restriction on Moves

Unless the owner agrees to a mutual dissolution of the lease, PHA will not approve a move during the initial lease term. Elective moves, outside of the initial lease term, may be made once within a twelve month period. PHA may deny a household the right to move in the event of insufficient funding. PHA will provide written notification to the local HUD office within 10 business days of determining it is necessary to deny moves to a higher-cost unit based on insufficient funding.

PHA may approve an additional move within a twelve month period under the emergency circumstances outlined below. PHA will require verification to support an emergency move. Verification requirements for these moves can be found in **APPENDIX H:VERIFICATION REQUIREMENTS FOR EMERGENCY** MOVES.

- Housing Quality Standards or Other Owner Breach
- Owner Termination of Tenancy
- Eviction
- Personal Safety/VAWA
- Reasonable Accommodation

MTW Policy

PHA will not approve a move during the initial lease term except under the circumstances outlined below. Additionally, after the initial lease term, PHA will only approve moves at the time of the lease anniversary except under the circumstances below.

- The lease for the household's unit has been terminated by mutual agreement of the owner and the household and the household has provided PHA with the mutual dissolution of the lease.
- Under emergency circumstances as defined in **17.3 Emergency Moves**.
- In the event that there is insufficient funding.

For PHA policy on moves outside of PHA's jurisdiction, please refer to the MTW policies in **CHAPTER 18:PORTABILITY**.

For non-emergency moves, the request to move must be received by PHA no earlier than 120 calendar days and no later than 90 days prior to the lease anniversary date.

17.3 Emergency Moves

MTW Policy

Moves during the initial lease term and moves outside of regular recertification may be approved under certain emergency circumstances. Exceptions to the emergency move policy must be approved by the Executive Vice President for Leased Housing or his/her designee.

The following are the circumstances which may qualify a household for an emergency move. PHA will verify that the household meets the qualification for an emergency move. Verification requirements for emergency moves can be found in **APPENDIX H:VERIFICATION REQUIREMENTS FOR EMERGENCY** MOVES. Where VAWA emergency transfers are concerned see PHA's Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking which is attached as an appendix to this Plan. Tenants receiving a VAWA-based move may be referred to another housing program pursuant to Section 17.8 and Section 23.35 and/or may be referred to a domestic violence victim services organization if a safe unit is not immediately available.

- Housing Quality Standards Violations or Other Owner Breach
- Owner Termination of Tenancy
- Eviction
- Personal Safety/VAWA
- Reasonable Accommodation

17.4 Notification

A tenant is required to give notice to the owner consistent with the terms of the lease. If a household terminates their lease with notice to the owner, the household must give PHA a copy of the notice to owner at the same time.

If a household wants to move to a new unit, the household must notify PHA and the owner before moving from the old unit.

If a household wants to move to a new unit that is located outside PHA's jurisdiction, the notice to PHA must specify the area where the household wants to move. See policies in **CHAPTER 18:PORTABILITY**.

Notification of a move must be in writing.

17.5 Recertification of Household Income and Composition During Moves

For households approved to move to a new unit within PHA's jurisdiction, PHA will perform a new recertification. The next recertification due date will be changed to coincide with the new lease-up date. If the effective date of the last recertification is within 180 days of the request to move, PHA will not reverify income and/or expense information, unless the household reports a change in income and/or household composition.

17.6 Voucher Issuance and Briefing

For households approved to move to a new unit within PHA's jurisdiction, PHA will issue a new voucher.

PHA will follow the policies set forth in this Plan on voucher term, extension, and expiration. If a household does not locate a new unit within the term of the voucher and any extensions, the household may remain in its current unit with continued voucher assistance if the owner agrees and PHA approves. Otherwise, the household will lose its assistance.

For households moving into or households approved to move out of PHA's jurisdiction under portability, PHA will follow the policies set forth in **CHAPTER 18:PORTABILITY**.

17.7 Request to Move & Pending Termination

If a household with a pending termination requests a move and the period for requesting a hearing has expired, PHA will not issue the household a voucher to move.

If a household with a pending termination requests a move and the period for requesting a hearing has not expired or if a hearing is pending, PHA will issue the household a voucher to move.

17.8 MTW Transfers

MTW Policy

PHA may authorize a limited number of split-family and voluntary transfers from Public Housing (including PAPMC developments) to the HCV program and vice versa. These transfers will be referred to as MTW transfers.

PHA may provide for up to 50 HCVs and 50 public housing units to be transferred back and forth between PH and the HCV program. No more than 100 moves will be authorized per fiscal year. Eligibility for the MTW transfers will be based upon immediate need, disability needs and availability of vouchers or PH units and will be evaluated on a case-by-case basis by PH and HCV senior management staff. If a resident transfers from PH to the HCV program, that household will be subject to HCV eligibility guidelines and vice versa. HCV tenants will be required to wait until the end of their current lease term to transfer to a PH unit, unless the landlord agrees to a mutual dissolution of the lease. As MTW transfers are generally as a result of an immediate need, PHA will not conduct transfer screening on these households, i.e. PHA may transfer a family even if the family has current debt. Once the transfer has been offered and accepted the household will be officially transferred to the new program.

CHAPTER 18: PORTABILITY

18.1 Portability Overview

Within the limitations of applicable requirements including this plan, a tenant family or an applicant family that has been issued a voucher has the right to use Tenant-Based Voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a Housing Authority (HA) administering a Tenant-Based Voucher Program.

The process by which a family obtains a voucher from one HA and uses it to lease a unit in the jurisdiction of another HA is known as portability. The first HA is called the "initial HA". The second is called the "receiving HA."

The receiving HA has the option of administering the family's voucher for the initial HA or absorbing the family into its own program. Under the first option, the receiving HA bills the initial HA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving HA pays for the family's assistance out of its own program funds, and the initial HA has no further relationship with the family.

18.2 Port-Outs

A family may move with voucher assistance only to an area where there is at least one HA administering a voucher program and in accord with the portability policies in this plan. The family must notify PHA of its desire to relocate and must specify the location where it wants to live. If there is more than one HA in the area, PHA will provide the family with the contact information for the receiving HAs and the family will select the receiving HA. In cases where the family prefers not to select, PHA will select the receiving HA on behalf of the family.

Section 8 Moderate Rehabilitation and unit-based assistance is not portable.

18.2.1 Applicant Families

A family that has not leased a unit under the HCV program is eligible for portability if the head of family or spouse was a resident in PHA's jurisdiction at the time the application for assistance was submitted.

If neither the head of household nor the spouse/co-head of an applicant family had a domicile (legal residence) in PHA's jurisdiction at the time the family's application for assistance was submitted, the family must live in PHA's jurisdiction with voucher assistance for the initial lease term before requesting portability. PHA will consider exceptions to this policy for purposes of reasonable accommodation. PHA may deny a portability move by an applicant family for insufficient funding or if grounds for denial of assistance are present.

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area. The family must specify the area to which the family wishes to move.

PHA will determine whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, PHA will inform the family that it may not move there and receive voucher assistance.

18.2.2 Participant Families

PHA will not provide portable assistance for a tenant if a family has moved out of its assisted unit in violation of the lease.

A family; however, is exempt from this prohibition if the family is otherwise in compliance with program obligations, but has moved to protect the health or safety of an individual in the family who is or has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit.

PHA will not re-determine income eligibility when a tenant family ports out of PHA's jurisdiction.

18.2.3 Eligibility for Port-Out

MTW Policy

A tenant or applicant family with an MTW voucher, in addition to the applicable criteria under applicant households and tenant households, must be able to verify employment, education, safety or medical/disability need in order to qualify for a move to another jurisdiction (port-out).

PHA will require the family provide all documents that PHA deems necessary to verify the family's need to relocate outside of PHA's jurisdiction. All verification documents must be dated within sixty (60) days and be consistent with the family's employment, education, safety or medical/disability need. If the family fails to provide verification documents and/or the documents provided are not sufficient, PHA will deny the request to port-out. See **APPENDIX I:VERIFICATION REQUIREMENTS FOR MTW PORT-OUTS.**

Families who moved out of PHA's jurisdiction, under portability, prior to the July 1, 2012 implementation of this policy will be exempt from the new portability criteria. If at any time an existing port-out tenant returns to PHA's jurisdiction and leases a unit in PHA's jurisdiction, all future moves outside of PHA's jurisdiction will be subject to the new criteria. An existing port-out tenant who moved out of PHA's jurisdiction prior to the implementation of this policy and who later requests to move to another jurisdiction outside of PHA's jurisdiction, will be exempt from the new portability criteria.

This policy does not apply to :

- Families with non-MTW vouchers;
- Families with vouchers administered under the VASH Program;
- Families that port-in to PHA's jurisdiction and are administered by PHA; and/or
- Families with PB or Unit-Based vouchers.

18.2.4 Financial Hardship Waiver for Port-Out (MTW)

MTW Policy

A family may seek a hardship waiver from the MTW portability criteria if the cost of living in PHA's jurisdiction is at least 5% greater than the FMR in the jurisdiction to which the family is looking to port and the family share of rent is greater than 40% of their monthly adjusted family income.

The family must make a hardship waiver request in writing within five (5) business days of PHA denying the initial portability request. Upon receipt of the family's request, PHA will review the case and provide a determination on the request for a hardship waiver. If a family's hardship waiver request is denied the family may request an informal hearing.

18.2.5 Recertification of Household Income and Composition

A new recertification of family income and composition is not required for a tenant family who is approved to move out of PHA's jurisdiction under portability. However, for a tenant family approved to move out of PHA's jurisdiction under portability, PHA generally will conduct a recertification of family income and composition if the family's regular recertification is due to be completed within the next 120 days.

18.2.6 Briefing

No formal briefing will be required for a tenant family wishing to move outside of PHA's jurisdiction under portability. However, PHA will provide the family with the same oral and written explanation of portability that it provides to applicant households selected for admission to the program. See briefing policies in **CHAPTER 7:BRIEFING & VOUCHERS**.

18.2.7 Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher. In issuing vouchers to applicant households, PHA will follow the policies set forth in this Plan.

For households approved to move under portability, PHA will issue a voucher. See policies in **7.6 Voucher Issuance** and **7.7 Voucher Term**. Generally, when a tenant requests to port out, PHA will first conduct screening for eligibility for a move. PHA will issue a Transfer Voucher then modify the voucher term for portability upon approval to port out.

18.2.8 Voucher Extensions and Suspensions

PHA will not approve extensions to a voucher issued to an applicant or tenant family porting out of PHA's jurisdiction except under the following circumstances:

- The initial term of the voucher will expire before the portable family will be issued a voucher by the receiving HA;
- The family decides to return to the PHA's jurisdiction and search for a unit; or
- The family decides to search for a unit in a third HA's jurisdiction.

In the cases above, PHA's policies on voucher extension and suspensions will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term. See policies in **7.8 Extension of Voucher Term** and **7.9 Suspension of Voucher Term**.

Once the receiving HA issues the family a voucher, the receiving HA's policies on extensions of the voucher term apply. The receiving HA must notify PHA of any extensions granted to the term of the voucher.

18.2.9 Initial Contact with the Receiving HA

After approving a family's request to move under portability, PHA will notify the receiving HA to expect the family. PHA will also advise the family on how to contact and request assistance from the receiving HA.

Because the portability process is time-sensitive, PHA will notify the receiving HA by phone, fax, or e-mail to expect the family and to determine if the receiving HA will absorb or administer the voucher. The receiving HA must notify PHA, in writing, via e-mail or other confirmed delivery method, of its decision.

If the receiving HA notifies PHA that it will absorb the voucher, the receiving HA may not reverse its decision at a later date without PHA's consent.

If the receiving HA will bill PHA for the portability voucher and the cost of the HAP will increase due to the move, the initial HA may deny the move if it does not have sufficient funding for continued assistance in accordance with the regulatory requirements set forth in 24 CFR § 982.354 (e)(1).

PHA will advise the family that they must promptly contact the receiving HA in order to be informed of the receiving HA's procedures for incoming portable households and comply with these procedures.

18.2.10 Sending Documentation to the Receiving HA

PHA will send the receiving HA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out;
- A copy of the family's voucher;
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058; and
- A copy of the most recent EIV report (if available).

In addition to these documents, PHA will provide the following information, if available, to the receiving HA:

- Social security numbers (SSNs);
- Documentation of legal identity;
- Documentation of date of birth; and
- PHA's Direct Deposit Form.

18.2.11 Initial Billing Deadline

If PHA has not received an initial billing notice from the receiving HA by the deadline specified on form HUD-52665, it will contact the receiving HA by phone, fax, or e-mail. If the receiving HA reports that the family is not yet under HAP contract, PHA will inform the receiving HA whether it will honor a late billing submission. PHA will send the receiving HA a written confirmation of its decision.

The initial billing submission must be completed and mailed by the receiving HA within 10 working days of the HAP contract execution but with sufficient time so that it is received by the initial HA no later than **90 days** following the expiration of the initial HA's voucher.

PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving HA.

18.2.12 Monthly Billing Payments

If the receiving HA is administering the family's voucher, PHA will make billing payments in a timely manner. The first billing amount is due within 30 days after PHA receives Part II of form HUD-52665 from the receiving HA. Subsequent payments must be received by the receiving HA no later than the fifth business day of each month.

PHA will reimburse the receiving HA for the full amount of the housing assistance payments made by the receiving HA for the portable family. Additionally, PHA will reimburse the receiving HA for the lesser of 80% of PHA's prorated column B administrative fee rate or 100% of the receiving HA's prorated column B administrative fee rate for each program unit under HAP contract on the first day of the month for which the receiving HA is billing PHA. If administrative fees are prorated, the proration will apply to the amount of the administrative fee for which the receiving HA may bill. If both PHAs agree, the PHAs may negotiate a different amount of reimbursement.

PHA will utilize direct deposit to ensure that the payment is received by the deadline.

18.2.13 Subsequent Household Moves

If a receiving HA is administering a PHA voucher family and the family subsequently decides to move out of the receiving HA's jurisdiction, PHA will issue the family a voucher to move and will send form HUD-52665 and supporting documentation to the new receiving HA.

18.2.14 Denial or Termination of Assistance

If PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving HA, PHA may act on those grounds at any time.

18.2.15 Regular Recertification

The receiving HA must send to PHA a copy of a portable family's updated form HUD-50058 after each regular recertification for the duration of time the receiving HA is billing PHA on behalf of the family, regardless of whether there is a change in the billing amount. The recertification and updated billing are due to PHA within ten days of the recertification effective date.

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18.2.16 Change in Billing Amount.

The receiving HA is required to notify PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a recertification, a change in the applicable payment standard, a move to another unit, etc.);
- An abatement or subsequent resumption of the HAP payments;
- Termination of the HAP contract;

- Payment of a damage/vacancy loss claim for the family; or
- Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

18.3 Port-Ins

When a family, which is issued a voucher from another HA, uses that voucher to lease a unit in PHA's jurisdiction that process is referred to as porting-in. In the case of a port-in, PHA is the receiving HA and the housing authority from which the family came is the initial HA.

18.3.1 Receiving HA Role

For households that port-in to PHA's jurisdiction, the family's unit size or voucher size is determined in accordance with PHA's subsidy standards and the amount of the family's housing assistance payment is determined in the same manner as for other HAs.

If a family has a right to lease a unit in PHA's jurisdiction under portability, PHA will provide assistance for the family. PHA's procedures and preferences for selection among eligible applicants do not apply, and PHA's waiting list is not used. However, the family's unit, or voucher, size is determined in accordance with PHA's subsidy standards, and the amount of the family's housing assistance payment is determined in the same manner as for other non-MTW households in PHA's Voucher Program

18.3.2 Port-Ins and MTW

Tenants who port-in to PHA and, whose vouchers are administered by PHA, are **NOT** subject to PHA's two-year recertification requirements or rent simplification. If PHA absorbs a port-in voucher, the family is subject to all of PHA's MTW policies.

18.3.3 Responding to the Initial PHA's Request

PHA will respond via e-mail or other confirmed delivery method to the initial HA's inquiry to determine whether the family's voucher will be billed or absorbed.

18.3.4 Initial Contact with Household

When a family moves into PHA's jurisdiction under portability, the family is responsible for promptly contacting PHA and complying with PHA's procedures for incoming portable households.

If the voucher issued to the family by the initial HA has expired, PHA will not process the family's paperwork, but will instead refer the family back to the initial HA.

Although PHA may initially bill the initial HA for the family's assistance, it may later decide to absorb the family into its own program.

18.3.5 Briefing

PHA will provide the port-in family with a briefing packet and will verbally inform the family about PHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

18.3.6 Criminal Background Check

PHA will conduct a criminal background and sex offender registry check on all adult family members who are porting into PHA's jurisdiction. PHA will follow its policies on screening to guide determinations related to criminal background and sex offender registration screening.

18.3.7 Income Eligibility and Recertification

For any family moving into its jurisdiction under portability, PHA will conduct a new recertification of family income and composition. PHA will not delay issuing the family a voucher for this reason, nor will PHA delay approving a unit for the family until the recertification process is complete unless the family is an applicant and PHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own recertification, PHA will rely upon any verifications provided by the initial HA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Port-in households are recertified on an annual basis.

18.3.8 Voucher Issuance

When a family ports in to PHA's jurisdiction, PHA will issue the family a voucher. Generally, PHA will issue the voucher within two weeks after receiving the family's paperwork from the initial HA if the information is in order, the family has contacted PHA, and the family complies with the PHA's procedures

18.3.9 Voucher Term

If the initial HA's voucher expires before PHA issues the portable family a voucher, PHA will contact the initial HA to determine if it will extend the voucher term. PHA will not issue a voucher to the portable family if the initial HA voucher term is expired and no extension is authorized by the initial HA.

Under no circumstances, will the term of PHA's voucher expire before 30 calendar days from the expiration date of the initial HA voucher term. For example, if the initial HA voucher term expires on 7/12/15, PHA's voucher term, as the receiving HA, will not expire before 8/12/15.

18.3.10 Voucher Extensions& Suspensions

PHA may provide additional search time to the family beyond the expiration date of the initial HA's voucher. PHA will only extend the term of the voucher for a port-in tenant if the initial HA extends their voucher expiration date as well. In this way PHA can better ensure that any voucher expiration date would leave

sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial HA. See policies in **7.8 Extension of Voucher Term**.

See policies in **7.9 Suspension of Voucher Term.**

18.3.11 Notifying the Initial HA

PHA will notify the initial HA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of PHA's voucher. PHA will use Part II of form HUD-52665, Family Portability Information, for this purpose.

If an incoming portable family ultimately decides not to lease in PHA's jurisdiction, but instead wishes to return to the initial HA's jurisdiction or to search in another jurisdiction, PHA will refer the family back to the initial HA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial HA. Any extension of search time provided by the receiving HA's voucher is only valid for the family's search in the receiving HA's jurisdiction.

18.3.12 Initial Billing Deadline

If a portable family's search for a unit is successful and PHA intends to administer the family's voucher, PHA's initial billing notice (Part II of form HUD-52665) must be completed and mailed within 10 working days of the HAP contract execution but with sufficient time so that it is received by the initial HA no later than **90 days** following the expiration of the initial HA's voucher. A copy of the family's form HUD-50058, Family Report, completed by PHA will be attached to the initial billing notice. PHA may send these documents either by mail, fax, or e-mail.

18.3.13 Billing Procedures

If administering the port-in voucher, PHA will bill the initial HA once a month for Housing Assistance Payments. The billing cycle for other amounts, including administrative fees and special claims will be once a month. PHA will bill 100% of the Housing Assistance Payment and the lesser of 80% of the initial HA prorated column B administrative fee rate or 100% of PHA's prorated column B administrative fee rate for each unit under HAP contract on the first day of the month for which PHA is billing the initial HA. Additionally, as provided by HUD, PHA will prorate administrative fees in accordance with any HUD prorations.

PHA will notify the initial HA of changes in subsidy amounts within ten days of any change in the monthly payment. PHA will update Administrative Fees when and if HUD revises the fees and/or related prorations.

18.3.14 Denial or Termination of Assistance

At any time, PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction.

If PHA elects to deny or terminate assistance for a portable family, PHA will notify the initial HA after the informal review or hearing if the denial or termination is upheld. PHA will base its denial or termination decision on the policies set forth in this Plan.

18.4 Absorbing a Portable Household

Absorption is the point at which a receiving HA starts making assistance payments with funding under its consolidated ACC. PHA may absorb a voucher providing that (a) PHA has funding available under its Annual Contributions Contract (ACC) and (b) absorbing the family will not result in over-leasing.

If PHA notifies an initial HA that it will absorb the voucher, PHA will not reverse its decision at a later date without consent of the initial HA. If PHA decides to absorb a family, after administering the voucher, PHA will provide the initial HA with 30 days advance notice.

When a portable family is absorbed by PHA, the family will be subject to PHA policies, including MTW policies.

18.5 Special Purpose Vouchers and Portability

PHA will administer special purpose vouchers, i.e. VASH Vouchers, in accordance with HUD-established policy in cases where HUD has established alternative program requirements of such special purpose vouchers. For example, under VASH, PHA will follow the VASH screening requirements when a VASH family ports to PHA.

PHA will use the codes for the special purpose vouchers on the 50058 and continue to use such codes while PHA is administering a portable voucher.

CHAPTER 19: INFORMAL REVIEWS AND HEARINGS

19.1 Overview

When PHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for tenants or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

19.2 Informal Reviews

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a tenant in the program. Informal reviews are intended to provide a minimum hearing requirement and need not be as elaborate as the informal hearing requirements.

PHA will offer informal reviews to applicants for the purpose of disputing denials of admission. PHA will not offer informal reviews to applicants who have been withdrawn from the waiting list, i.e. as a result of failure to attend screening interviews or not responding to a waiting list update. Such failure to act on the part of the applicant prevents PHA from making an eligibility determination; therefore, PHA will not offer an informal hearing.

19.2.1 Decisions Subject to Informal Review

PHA will give an applicant the opportunity for an informal review of a decision denying assistance.

An applicant is not entitled to informal review for any of the following decisions by PHA:

- Discretionary administrative determinations by PHA;
- General policy issues or class grievances;
- A determination of the household unit size under PHA subsidy standards;
- A PHA determination not to approve an extension of a voucher term;
- A PHA determination not to approve a unit or tenancy;
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS;
- A PHA determination that the unit is not in accordance with HQS because of household size or composition;
- Establishment of the PHA schedule of utility allowances for households in the program; or
- A determination by PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract.

19.2.2 Notice to the Applicant

PHA will give an applicant prompt notice of a decision denying assistance. The notice will contain a brief statement of the reasons for PHA's decision, and will also state that the applicant may request an informal review of the decision. The notice will describe how to obtain the informal review.

19.2.3 Scheduling an Informal Review

A request for an informal review must be made in writing and delivered to PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of PHA's denial of assistance.

19.2.4 Informal Review Procedures

The informal review will be conducted by a Hearing Officer who is a person other than the one who made or approved the decision under review, or a subordinate of this person. Generally, for informal reviews, PHA's Hearing Officer will review the case and render a decision.

Upon receipt of the written request for a review, the complainant will be notified, in writing, of the date, time and location of the review. A copy of the procedures governing the review will be made available to the applicant.

- PHA will present its reasons and evidence supporting the denial of assistance to the applicant.
- The complainant will have the opportunity to present written or oral objections to PHA's decision, along with other factual or mitigating information that might lead the Hearing Officer to reconsider the determination of ineligibility and reverse the determination.
- The review will be conducted informally by the Hearing Officer. The Hearing Officer will require that PHA, the complainant and other tenants or witnesses conduct themselves in an orderly fashion. Failure to comply with the directives of the Hearing Officer to maintain order may result in expulsion from the proceeding or in a decision adverse to the interests of the disorderly party.
- The complainant may:
    - Retain counsel or other representation if desired, at his/her own expense (i.e., an attorney);
    - Examine before the review all PHA's documents and regulations that are relevant to the review and may copy such documents at his/her own expense;
    - Question any witness or witnesses; and
    - Present testimony and evidence in his/her favor.
- The complainant is entitled to a decision made by the Hearing Officer that is based solely on the evidence presented at the review.
- If the complainant or PHA fails to appear at the scheduled review, the Hearing Officer may make a determination to postpone and reschedule the review, or may make a determination that the party has waived his/her right to a hearing and will be withdrawn from the waiting list. Both the complainant and PHA will be notified of the Hearing Officer's determination.
- If the complainant does not request a review in accordance with PHA's established procedures, then PHA determination of ineligibility will become final. Failure to request a review will not constitute a waiver by the complainant of his/her right to contest PHA determination in an appropriate judicial proceeding.

- All requests for a review, along with the supporting documentation and a copy of the final decision will be retained in the complainant's file.

- PHA will notify the complainant, in writing, of its final decision after the informal review, including a brief statement of the reasons for the final decision.

19.2.5 Informal Review Decision – Denial of Assistance

In rendering a decision, PHA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice denying assistance;

- The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned;

- The validity of the evidence. PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required under applicable legal requirements, PHA will uphold the decision to deny assistance; and

- If the facts prove the grounds for denial, and the denial is discretionary, PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the complainant or PHA fails to appear at the scheduled hearing, the Hearing Officer may make a determination to postpone and reschedule the hearing, or may make a determination that the party has waived his/her right to a hearing and will be withdrawn from the waiting list. Both the complainant and PHA will be notified of the Hearing Officer's determination

19.3 Informal Hearings for Tenants

PHA offers an informal hearing for certain PHA determinations relating to the individual circumstances of a tenant. The purpose of the informal hearing is to consider whether PHA's decisions related to the family's circumstances are in accordance with applicable requirements.

PHA will not terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

Termination of assistance for a tenant 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; and

- Refusing to process or provide assistance under portability procedures.

Circumstances for which PHA must give a tenant an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment;
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule;
- A determination of the household unit size under PHA's subsidy standards;
- A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the household unit size under PHA's subsidy standards, or PHA determination to deny the family's request for exception from the standards;
- A determination to terminate assistance for a tenant because of the family's actions or failure to act;
- A determination to terminate assistance because the tenant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules;
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account; and
- A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, sexual assault or stalking.

19.3.1 Circumstances for which an Informal Hearing is not Granted

PHA will not grant an informal hearing for the following:

- Discretionary administrative determinations by PHA;
- General policy issues or class grievances;
- Establishment of the PHA schedule of utility allowances for households in the program;
- A PHA determination not to approve an extension of a voucher term;
- A PHA determination not to approve a unit or tenancy;
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS;
- A PHA determination that the unit is not in accordance with HQS because of household size or composition;
- A determination of the household size under PHA's subsidy standards;
- A determination by PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract; and
- Restrictions on assistance for non-citizens. The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status are contained at 24 CFR Part 5, subpart E.

19.3.2 Notice to the Household – Informal Hearing

When PHA makes a decision that is subject to informal hearing procedures, PHA will inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the household unit size, PHA will notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to PHA's subsidy standards, the notice will contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

In cases where PHA makes a decision for which an informal hearing is offered, the notice to the family will include all of the following:

- PHA's proposed action or decision;
- A brief statement of the reasons for the decision;
- The date the proposed action will take place;
- A statement of the family's right to an explanation of the basis for PHA's decision;
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision;
- A deadline for the family to request the informal hearing; and
- To whom the hearing request should be addressed.

19.3.3 Scheduling an Informal Hearing

A tenant must submit a written request for an informal hearing to the HCV Program designee within 10 business days from the date of PHA's letter of determination sent to the tenant.

Upon receipt of the written request for a hearing, PHA will timely notify the complainant of the hearing date. The notification will be in writing and will include the date, time and location of the hearing. The informal hearing will be held before a Hearing Officer. A copy of the procedures governing the hearing will be included with the written notification.

If the tenant does not request a hearing in accordance with PHA's procedures, PHA's determination will become final.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

19.3.4 Pre-Hearing Right to Discovery

Before the Informal Hearing the family may examine any PHA documents that are directly relevant to the hearing. The family will be allowed to copy any such documents.

PHA must be given the opportunity to examine at PHA offices before the hearing, any family documents that are directly relevant to the hearing. PHA will be allowed to copy any such document at PHA's expense.

For the purpose of informal hearings, documents include records and regulations.

19.3.5 Tenant's Right to Bring Counsel

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

19.3.6 Informal Hearing Officer

Informal hearings will be conducted by a Hearing Officer who is not the person who made or approved the decision or a subordinate of the person who made or approved the decision.

19.3.7 Attendance at the Informal Hearing

Hearings may be attended by a Hearing Officer and the following applicable persons:

- A PHA representative(s) and any witnesses for PHA;
- The tenant and any witnesses for the tenant;
- The tenant's counsel or other representative; and
- Any other person approved by PHA as a reasonable accommodation for a person with a disability.

19.3.8 Conduct at Hearings

The Hearing Officer is responsible for managing the order of business and ensuring that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the Hearing Officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the Hearing Officer.

19.3.9 Evidence

PHA and the family will be given the opportunity to present evidence and question any witnesses. In general, all types of evidence are admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

19.3.10 Hearing Officer's Decision

The person who conducts the hearing will issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing will be furnished to the family.

Generally, the Hearing Officer will issue a written decision to the family and PHA within 10 business days after the hearing.

PHA shall abide by the determination of the Hearing Officer, provided that such determination is not contrary to applicable federal, State or local laws, HUD regulations, or the requirements of the Annual Contributions Contract between HUD and PHA, or that the Hearing Officer is not acting in excess of his/her authority.

A decision by the Hearing Officer in favor of PHA, or which denies the relief requested by the complainant or tenant in whole or in part, shall not constitute a waiver of, nor affect any rights the complainant or tenant may have to contest PHA's determination in an appropriate judicial proceeding.

19.3.11 Procedures for Rehearing or Further Hearing

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 PHA will take effect and another hearing will not be granted.

A rehearing or a further hearing may be requested for the purpose of rectifying any obvious mistake of law made during the hearing or any obvious injustice not known at the time of the hearing.

It shall be within the sole discretion of PHA to grant or deny the request for further hearing or rehearing. A further hearing may be limited to written submissions by the parties, in the manner specified by the Hearing Officer.

19.3.12 PHA Notice of Final Decision

PHA will mail a "Notice of Final Decision" including the Hearing Officer's report, to the family and their representative. This Notice will be sent by first-class mail. The family will be mailed the original "Notice of Final Decision". A copy of the "Notice of Final Decision" will be maintained in PHA's file.

19.4 Complaints/Investigation

PHA will review and respond to complaints from tenants, owners, employees and members of the public to determine if they warrant investigation. Complaints may be received via the telephone, Hot Line and in writing. All complaints will be logged into a computerized database and issued a control number. Investigations are completed by HCV Investigations and reports submitted on the outcome of the investigation. Investigated complaints include, but are not limited to, the following:

- Illegal drug activity;
- Fraud;

- Violent criminal activity;
- Unauthorized occupancy;
- Subletting;
- Failure to report a change in household composition;
- Tenant vacating without notice;
- Unreported income;
- Housing Quality Standards violations;
- Owner overcharging tenants;
- Activities that threaten the right to peaceful enjoyment of the premises by other residents; and
- Nuisance.

Upon investigation the following outcomes may occur:

- Unsubstantiated claim: a preponderance of evidence was NOT available to support the allegation;
- Resolved: the problem was rectified and there was no need for administrative action;
- Termination: a preponderance of evidence was available indicating that the tenant was in violation of program regulations; and
- Follow-up: the tenant is recommended for counseling in the Quality of Life Program.

PHA is responsible for ensuring that owners are qualified to operate units assisted under PHA's housing programs. Qualified includes but is not limited to the owner's current and past history of renting units. Past and current history may include obligations under HAP contracts, commission of fraud, bribery or other criminal activity or if the owner has a history or practice of failure to terminate tenancy of tenants for activity engaged in by the tenant, any member of the household, guest or another person under the control of any member of the household that threatens the healthy, safety or peaceful enjoyment of other residents or by persons residing in the immediate vicinity of the premises.

PHA cooperates with local police and other appropriate agencies when complaints are received from individuals regarding units that are not owned or operated by PHA, but are owned by landlords participating in one of PHA's assisted housing programs. This cooperation includes sharing pertinent information and acting as liaison between the local police or other agencies and the owner. However, PHA does not itself investigate complaints regarding units that are not assisted by PHA. The foregoing does not preclude PHA from gathering general data regarding units in neighborhoods with PHA-assisted properties.

19.5 Hearing and Appeal Provisions for Non-Citizens

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal

process. Assistance to a family may not be terminated or denied while a PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

19.6 Notice of Denial or Termination of Assistance for Non-Citizens

The notice of denial or termination of assistance for non-citizens will inform the family of the following:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance;
- The family may be eligible for proration of assistance;
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of households;
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal; and
- That the family has a right to request an informal hearing with PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

19.7 USCIS Appeal Process

When PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, PHA will notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide PHA with a copy of the written request for appeal and the proof of mailing.

PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to PHA, of its decision. When the USCIS notifies PHA of the decision, PHA will notify the family of its right to request an informal hearing.

PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

19.8 Informal Hearing Procedures for Applicants - Citizenship

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of PHA's notice of denial, or within 30 days of receipt of the USCIS appeal decision.

19.8.1 Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

The family will be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family will also be provided the opportunity to refute evidence relied upon by PHA, and to confront and cross-examine all witnesses on whose testimony or information PHA relies.

19.8.2 Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or PHA, as may be agreed upon by the two parties. See PHA's Language Assistance Plan for specific policies on interpreter services.

19.8.3 Hearing Decision

PHA will provide the family with a written final decision, based solely on the facts presented at the hearing. The written decision will state the basis for the final decision.

19.8.4 Retention of Documents

PHA will retain for a minimum of 5 years the following documents that may have been submitted to PHA by the family, or provided to PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance;
- The form completed by the family for income recertification;
- Photocopies of any original documents, including original USCIS documents;
- The signed verification consent form;
- The USCIS verification results;
- The request for a USCIS appeal;
- The final USCIS determination;

- The request for an informal hearing; and
- The final informal hearing decision.

CHAPTER 20: TERMINATION OF ASSISTANCE AND TENANCY

20.1 Overview

This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner.

20.2 Grounds for Termination of Assistance

PHA will use the Criminal Background Screening Table attached as **APPENDIX E: CHART OF OFFENSES - TERMINATION** as a guide to determine the number of years which must have elapsed for specific felony and other convictions in order to determine grounds for termination of assistance at any time after admission to the HCV program. As further supplemented by **Appendix E**, if any household member is currently engaged in or has engaged in any of the criminal activities outlined in this chapter, the family may be terminated.

20.3 Reinstatement after Termination of Assistance

PHA may reinstate a family who was terminated and who did not request a hearing within the required time frame if the termination is confirmed to be a wrongful termination.

20.4 Household No Longer Requires Assistance

As a family's income increases, the amount of PHA subsidy goes down. If the amount of HCV assistance provided by PHA drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

If a participating family receiving zero assistance experiences a change in circumstances that would cause the HAP payment to rise above zero, the family must notify PHA of the changed circumstances and request an interim recertification before the expiration of the 180-day period.

20.5 Household Chooses To Terminate Assistance

If a family seeks to continue assistance but terminate its lease, PHA allows households to terminate tenancy after the initial term of the lease. Terminations during the initial term are subject to owner agreement to release the family from the lease or if the lease provides for such termination. If a family seeks to terminate assistance, the request can be made at any time.

The request to terminate assistance should be made in writing and signed by the head of household, spouse, or co-head. Before terminating the family's assistance, PHA will follow its policies on Notice requirements.

20.6 Termination Due to Eviction

PHA will terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. In the case of victims or threatened victims of violence or stalking, incidents of actual or threatened violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease by the victim/threatened victim.

A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary. However, PHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance. Upon consideration of circumstances and factors, PHA may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to:

- Nonpayment of rent;
- Disturbance of neighbors;
- Destruction of property;
- Living or housekeeping habits that cause damage to the unit or premises; and
- Criminal activity.

Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

20.7 Termination Due to Failure to Provide Consent

PHA will terminate assistance if any household member fails to sign and submit any consent form they are required to sign for a recertification.

20.8 Termination Due to Failure to Document Citizenship

PHA will terminate assistance if:

- A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;
- A family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
- A family member, as determined by PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination will be for a period of at least 24 months. This does not apply to ineligible non-citizens already in the family where the family's assistance has been prorated.

20.9 Termination Due to Failure to Provide Social Security Documentation

PHA will terminate assistance if a household fails to provide the documentation or certification required for any household member who obtains a social security number or joins the household.

20.10 Termination Due to Manufacture or Production of Methamphetamine

PHA will terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

20.11 Termination Due to Failure of Students to Meet Ongoing Eligibility Requirements

See **16.10 Determining Ongoing Eligibility of Certain Students** for policies related to Student continued eligibility requirements.

20.12 Termination Due to Drug and Alcohol Abuse

PHA will terminate a household's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. "Currently engaged in" is defined as any use of illegal drugs during the previous six months.

PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, PHA may consider alternatives and specific circumstances and may, on a case-by-case basis, choose not to terminate assistance.

20.13 Termination Due to Drug-Related and Violent Criminal Activity

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

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

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

PHA will terminate a family's assistance if any household member has violated the household's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, PHA may consider alternatives and specific circumstances and may, on a case-by-case basis, choose not to terminate assistance.

20.14 Termination Due to State Registered Lifetime Sex Offender Status

HUD regulations at 24 CFR § 5.856 and § 982.553(a)(2) prohibit admission after June 25, 2001, if any member of a household is subject to a state lifetime sex offender registration requirement. This regulation

reflects a statutory prohibition. A family receiving assistance with such a member is receiving assistance in violation of federal law.

If PHA discovers that a household member was erroneously admitted (the household member was subject to a lifetime registration requirement at admission and was admitted after June 25, 2001), PHA will immediately pursue termination of assistance for the household member. Regulations for hearings for the HCV program at 24 CFR § 982.555 continue to apply. If PHA erroneously admitted a lifetime sex offender, PHA will give the family the opportunity to remove the ineligible household member from the family. If the family is unwilling to remove that individual from the household, PHA will terminate assistance for the family.

For admissions before June 25, 2001, there is currently no HUD statutory or regulatory basis to evict or terminate the assistance of the family solely on the basis of a household member's sex offender registration status.

20.15 Other Authorized Reasons for Termination of Assistance

PHA may terminate a family's assistance if:

- The family has failed to comply with any family obligations under the program;
- Any household member has been evicted from federally-assisted housing in the last three years;
- Any HA has ever terminated assistance under the program for any member of the household;
- Any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The family currently owes rent or other amounts to any HA in connection with the HCV, Certificate, Moderate Rehabilitation or PH programs;
- The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family underreported or did not report income;
- The family has breached the terms of a repayment agreement entered into with PHA;
- A household member has engaged in or threatened violent or abusive behavior toward PHA personnel. "Abusive or violent behavior towards PHA personnel" includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

20.16 Insufficient Funding

PHA may terminate a family's HAP contract if PHA determines that HCV funding is insufficient to support continued assistance for households in the program.

20.17 Missed Appointments and Deadlines

It is a family obligation to supply information, documentation, and certification as needed for PHA to fulfill its responsibilities. PHA schedules appointments and sets deadlines in order to obtain required information.

The obligations also require that the family allow PHA to inspect the unit. Appointments are made for this purpose.

An applicant or tenant who fails to keep an appointment, or to supply information required by a deadline without notifying PHA, may be sent a Notice of Denial or Termination of Assistance.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions;
- Verification Procedures;
- Voucher Issuance and Briefings;
- Housing Quality Standards and Inspections;
- Recertifications; and
- Appeals.

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 notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance. Termination is subject to a request for reasonable accommodations. Where a family notified PHA on a timely basis of the need to reschedule an appointment, the appointment is not considered a missed appointment or deadline.

Acceptable reasons for missing appointments or failing to provide information by deadlines include, but are not limited the reasons outlined below. PHA will require 3rd party verification to confirm the events below.

- Medical emergency;
- Incarceration; and
- Family emergency.

20.18 Method of Termination

PHA may terminate assistance by:

- Terminating housing assistance payments under a current HAP contract;
- Refusing to approve a request for tenancy or to enter into a new HAP contract; or
- Refusing to process a request for or refusing to provide assistance under portability procedures.

20.19 Alternatives to Termination of Assistance - Household Composition

As a condition of continued assistance, PHA may require that any family member who participated in or was responsible for an offense no longer resides in the unit.

As a condition of continued assistance, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The household must present evidence of the former household member's current address upon PHA request.

20.20 Criteria for Deciding to Terminate Assistance

PHA will use the concept of preponderance of the evidence as the standard for making all termination decisions.

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

20.21 Evidence

PHA will terminate assistance if a preponderance of the evidence indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted.

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. PHA will pursue fact-finding efforts as needed to obtain credible evidence.

20.22 Consideration of Circumstances

PHA may consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other tenants;
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure;
- The extent of participation or culpability of individual household members, including whether the culpable household member is a minor or a person with disabilities or a victim of domestic violence, dating violence, sexual assault or stalking;
- The length of time since the violation occurred, the household's recent history and the likelihood of favorable conduct in the future;
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully; and
- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family.

PHA will require the tenant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

20.23 Terminating the Assistance of Domestic Violence, Dating Violence, Sexual Assault or Stalking Victims and Perpetrators

See **3.12 Violence Against Women Act Protections** for policies related to VAWA.

20.24 Termination Notice

If a family's assistance is to be terminated, whether voluntarily or involuntarily, PHA will give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated ;
- The effective date of the termination; and
- The family's right to an informal hearing.

If a criminal record is the basis of the termination, a copy of the record will accompany the notice. A copy of the criminal record also must be provided to the subject of the record.

When termination is initiated by PHA, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing PHA, 30 days' notice will not be given. In these cases, the notice to terminate will be sent at the time PHA learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing. PHA will then send a confirmation notice to the family and the owner no later than the termination effective date (as requested by the family).

20.25 How Termination of Assistance Affects the HAP Contract and Lease

When the family's assistance is terminated, the lease and HAP contract terminate automatically.

The owner may offer the family a separate unassisted lease.

20.26 Termination of Tenancy by the Owner

Termination of an assisted tenancy is a matter between the owner and the tenant; PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

20.27 Termination by the Owner Due to Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking against that tenant. PHA's failure to make a HAP payment to the owner is not a violation of the lease between the tenant and the owner.

20.28 Termination by the Owner Due to Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, State, or local law that imposes obligations in connection with the occupancy or use of the premises.

20.29 Termination by the Owner Due to Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any covered person, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity:

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of Pennsylvania, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

20.30 Termination by Owner - Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a household for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction, except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault or stalking and the tenant or an immediate member of the tenant's family is the victim or threatened victim of the domestic violence, dating violence, sexual assault or stalking.

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20.31 Termination by Owner Due to Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the household did or failed to do. During the initial

lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

20.32 Owner Initiated Eviction

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds for termination may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the family from the unit by instituting a court action.

The owner must give PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give PHA a copy of any eviction notice.

If the eviction action is finalized in court, the owner must provide PHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

20.33 Owner Decision Whether to Terminate Tenancy

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action;
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner’s failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on family members not involved in the offending activity;
- The demand for assisted housing by households who will adhere to lease responsibilities;

- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action; and

- The effect of the owner's action on the integrity of the program.

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully. For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 C.F.R. § 5.105.

Anowner’sdecisiontoterminatetenancyforincidentsrelatedtodomesticviolence,datingviolence,stalking or sexual assault is limited by the Violence Against Women Reauthorization Act of 2013 (VAWA).

20.34 Effect of Owner Tenancy Termination on the Household’s Assistance

If a termination is not due to a serious or repeated violation of the lease, and if PHA has no other grounds for termination of assistance, PHA may issue a new voucher so that the family can move with continued assistance.

CHAPTER 21: PROGRAM INTEGRITY

PHA is committed to ensuring that the proper level of benefits is paid to all participating households and that housing resources reach only income-eligible households so that program integrity can be maintained. Further, PHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously. This chapter outlines PHA's policies for the prevention, detection, and investigation of program abuse and fraud.

21.1 Quality Control

In furtherance of program integrity, PHA has developed and implemented a quality control program to ensure that PHA is assisting eligible households to afford decent, safe, and sanitary housing at the correct subsidy costs and to determine PHA compliance with agency and regulatory requirements.

21.2 Preventing and Detecting Program Abuse and Fraud

PHA management and staff will utilize various methods and practices to prevent program abuse, noncompliance, and willful violations of program rules by applicants and tenants. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenants.

PHA will work to increase tenant awareness of the importance of program integrity using a variety of methods, including but not limited to, distribution of informational brochures, orientation, tenant counseling and use of instructive signs and warnings.

In addition to taking steps to prevent errors and program abuse, PHA will use a variety of activities to detect errors and program abuse.

PHA will use the results of monitoring reports to identify potential program abuses as well as to assess the effectiveness of PHA's error detection and abuse prevention efforts. PHA will encourage staff, tenants, and the public to report possible program abuse.

21.3 Investigating Errors and Program Abuse

PHA will review referrals, specific allegations, complaints, and tips from any source, including other agencies, companies, and individuals, to determine whether they warrant investigation. In order for PHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

PHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

The PHA Police Department (PD) Investigations Unit and the Office of Audit and Compliance (OAC) may investigate program abuse and/or fraud.

Generally, PHA's PD will investigate:

- Illegal drug activity/violent criminal activity;
- Activities that threaten the right to peaceful enjoyment of the premises by other residents; and

- Nuisance.

PHA's OAC office will investigate:

- Fraud;
- Unauthorized occupancy;
- Subletting;
- Failure to report change in household composition;
- Tenant vacating without notice to PHA;
- Unreported income;
- Housing Quality Standard violations;
- Owner overcharging tenants;
- Conflict of interest; and
- Prohibitive familial relationships.

Owners and tenants must cooperate with PHA's OAC in conducting investigations into alleged fraud, waste and abuse in connection with the HCV program.

21.4 Consent to Release of Information

PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, PHA will require HCV households to give consent to the release of additional information.

21.5 Analysis and Findings

PHA will base its evaluation on a preponderance of the evidence collected during its investigation.

For each investigation PHA will determine:

- Whether an error or program abuse has occurred;
- Whether any amount of money is owed PHA; and
- What corrective measures or penalties will be assessed.

21.6 Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether PHA will enforce other corrective actions and penalties, depends upon the nature of the error or program abuse.

In the case of owner-caused errors or program abuse, PHA will take into consideration:

- The seriousness of the offense;
- The length of time since the violation has occurred; and
- The effects of a particular remedy on family members who were not involved in the offense.

21.7 Notice and Appeals

Substantiated investigations of tenant fraud will be communicated in writing from the OAC to HCV Management at the close of the investigation. HCV Management will then make a determination as to whether termination of assistance actions will commence against the family in question. Any termination of assistance activity that is initiated as a result of a substantiated investigation will follow the standard termination process, and the family's right to appeal the proposed action will follow the standard hearing process.

PHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include:

- A description of the error or program abuse;
- The basis on which PHA determined the error or program abuse;
- The remedies to be employed; and
- The family's right to appeal the results through the informal review or hearing process, if applicable.

21.7.1 PHA Caused Under or Overpayment

An under or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

A subsidy under- or overpayment includes:

- An incorrect housing assistance payment to the owner;
- An incorrect family share established for the family; and
- An incorrect utility reimbursement to a family.

Corrections:
Whether the incorrect rental determination is an overpayment or underpayment due to a PHA error, PHA must promptly correct the tenant rent and any utility reimbursement.

Increases in the tenant rent will be implemented only after the family has received thirty (30) days' notice. Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

The family is not required to repay an underpayment of rent resulting from errors caused by PHA staff or program abuse by PHA staff.

PHA will reimburse a family for any overpayment of rent resulting from errors caused by staff or staff program abuse.

21.8 Tenant Caused Errors and Program Abuse

Tenant obligations and general administrative requirements for participating in the program are discussed throughout this Plan.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows PHA to use incorrect information provided by a third party or instances in which an owner or family member fails to provide information that would disqualify the family member/owner from receiving federal subsidy. In the case of tenant-caused errors or program abuse, PHA will take into consideration:

- The seriousness of the offense and the extent of participation or culpability of individual family members;
- Any special circumstances surrounding the case;
- Any mitigating circumstances related to the disability of a family member; and
- The effects of a particular remedy on family members who were not involved in the offense.

21.8.1 Prohibited Actions by an Applicant or Participant

An applicant or tenant in the HCV program must not knowingly:

- Make a false statement to PHA; or
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

Any of the following will be considered evidence of program abuse by the family:

- Payment to the owner in excess of amounts authorized by PHA for rent, security deposit, and additional services;
- Offering bribes or illegal gratuities to PHA's Board of Commissioners, employees, contractors, or other PHA representatives;
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to PHA on the family's behalf;
- Use of a false name or the use of falsified, forged, or altered documents;
- Intentional misreporting of family information or circumstances (i.e., income, family composition);
- Omitted facts that were obviously known by a family member (i.e., not reporting employment income); and
- Admission of program abuse by an adult family member.

PHA may determine other actions to be program abuse based upon a preponderance of the evidence.

21.8.2 Penalties for Program Abuse by a Household

In the case of program abuse caused by a family PHA may, at its discretion, impose any of the following remedies:

- PHA may require the family to repay excess subsidy amounts paid by PHA, as described earlier in this section;
- PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit;
- PHA may deny admission or terminate the family's assistance; or
- PHA may refer the family for state or federal criminal prosecution.

21.8.3 Household Caused Under or Overpayment

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of household composition, income, assets, or expenses, but also would include instances in which the family knowingly allows PHA to use incorrect information provided by a third party. PHA will not reimburse the family for any overpayment of rent when the family causes the overpayment.

21.9 Debt and Repayment Agreements

Tenants are required to reimburse PHA if they were charged less rent than required by PHA's rent formula due to tenant's underreporting or failure to report income. HCV households will be required to reimburse PHA for the difference between what the family rent should have been and the family rent that was charged. This amount is referred to as the retroactive rent. PHA will determine retroactive rent as far back as PHA has documentation of family reported income. For example, if PHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, PHA is only able to determine retroactive rent for the three years for which documentation is available.

PHA, at its discretion, may offer a repayment agreement to a family for underpayment of rent clearly caused by the family when the debt cannot be paid within a period of 30 days. PHA may move to terminate assistance without offering the tenant a repayment agreement. When deciding whether to enter into a repayment agreement with the family, PHA will consider the family's history of meeting its family obligations under the HCV program, including any history of fraud. The following facts will be considered when deciding if PHA should enter into a repayment agreement with the family:

- The amount owed by the family;
- The reason for the debt;
- The family's current and potential income and expenses; and
- Any other information that is relevant to the case.

Generally, if the amount owed by the family is less than $7,500, HCV will send a notice to the family to contact HCV concerning the debt. The family may request an informal hearing to dispute the amounts owed. See **19.3 Informal Hearings for Tenants** for policies regarding requesting a hearing.

PHA will forward cases of fraud to OAC when and if the amount owed is $7,500 or above. OAC will investigate and process these cases for repayment and/or prosecution. Repayment agreements entered as a result of substantiated investigations conducted by the OAC will be established as a part of the investigation and will be separate and independent from the agreement policies described herein. Based on the results of an OAC investigation, PHA may move to terminate assistance without offering the tenant a repayment agreement.

If PHA offers a repayment agreement and the family refuses to enter into the repayment agreement or fails to make payments on an existing or new repayment agreement, PHA will terminate the family's assistance in accordance with its termination policies. PHA will not offer any PHA-sponsored amnesty or debt forgiveness programs. PHA may also pursue other modes of collection. See **CHAPTER 20: TERMINATION OF ASSISTANCE AND TENANCY**.

PHA will not enter into more than one repayment agreement with a family within a five year period. If there is a second claim in a five-year period then the family must continue to pay according to the existing repayment agreement (if the debt has not been repaid) and the subsequent claim must be paid in full. If the subsequent payment cannot be repaid in full it will result in termination from the program.

PHA may move to terminate assistance without offering the tenant a repayment agreement.

21.9.1 General Repayment Guidelines &Written Repayment Agreement

All repayment agreements will be in writing, dated and signed by both the head of household and PHA, include the total retroactive amount owed, amount of lump sum payment made at time of execution, and if applicable, the monthly repayment amount. At a minimum, repayment agreements will contain the following provisions:

- Reference to the paragraphs in the HCV information packet that state the household's obligation to provide true and complete information at every reexamination and the grounds on which PHA may terminate assistance because of a family's action or failure to act;

- A statement clarifying that each month the family not only must pay to PHA the monthly payment specified in the agreement, but also must pay to the owner the family's monthly share of rent to owner;

- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases; and

- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance.

- The maximum term of a repayment agreement is thirty-six (36) months; however, PHA may modify this term on a case-by-case basis as needed. Before executing a repayment agreement, PHA will generally require that the family pay at least ten percent (10%) of the total amount owed. The remaining balance will be paid in monthly installments. A family may make an initial lump sum payment to reduce or eliminate the monthly repayment amount. PHA reserves the right to structure repayment agreements requiring the family to make higher or lower initial and/or monthly payments.

- All payments are due by the close of business on the 5th business day of each month. If a required payment is not received by the close of business on the date due, and prior approval for the missed payment has not been given by PHA, PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date stated in the delinquency notice, it will be considered a breach of the repayment agreement and PHA will terminate assistance in accordance with its termination policies. If a family receives three

delinquency notices for unexcused late payments in a 12-month period, PHA will terminate assistance in accordance with its termination policies.

21.9.2 Consequences of Default of a Repayment Agreement

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, PHA will terminate the family's assistance in accordance with PHA's termination policies. PHA may also pursue other modes of collection.

21.10 Owner Caused Error or Program Abuse

This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (i.e., the number of bedrooms, which utilities are paid by the family). Owner error or abuse also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

21.10.1 Owner Reimbursement to PHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to PHA any excess subsidy received. PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, PHA may allow the owner to pay in installments over a period of time.

21.10.2 Prohibited Owner Actions

An owner participating in the HCV program must not make any false statements to PHA and/or commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program including:

- Charging the family rent above or below the amount specified by PHA
- Charging a security deposit other than that specified in the family's lease;
- Charging the family for services that are provided to unassisted tenants at no extra charge;
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
- Knowingly accepting incorrect or excess housing assistance payments;
- Offering bribes or illegal gratuities to PHA's Board of Commissioners, employees, contractors, or other PHA representatives;
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to PHA; and
- Residing in the unit with an assisted family.

21.10.3 Remedies and Penalties for Owner Caused Errors or Program Abuse

When PHA determines that the owner has committed program abuse, PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments;
- Terminate the HAP contract;
- Bar the owner from future participation in any PHA programs; and
- Refer the case to state or federal officials for criminal prosecution.

21.11 PHA Caused Errors or Program Abuse

PHA-caused incorrect subsidy determinations include:

- Failing to correctly apply HCV rules regarding household composition, income, assets, and expenses;
- Assigning the incorrect voucher size to a family; and
- Errors in calculation.

21.11.1 Prohibited Activities by PHA Staff

PHA will take prompt action to address program abuse by PHA staff. Any of the following will be considered evidence of program abuse by PHA staff:

- Failing to comply with any HCV program requirements for personal gain;
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, tenant, or owner;
- Seeking or accepting anything of material value from applicants, participating households, vendors, owners, contractors, or other persons who provide services or materials to PHA;
- Disclosing confidential or proprietary information to outside parties;
- Gaining profit as a result of insider knowledge of PHA activities, policies, or practices;
- Misappropriating or misusing HCV funds;
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program; and
- Committing any other corrupt or criminal act in connection with any federal housing program.

21.12 Criminal Prosecution

When PHA determines that program abuse by an owner, family, or PHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, PHA will refer the matter to the appropriate entity for prosecution.

When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

21.13 Fraud and Program Abuse Recoveries

PHA may retain a portion of program fraud losses that PHA recovers from a tenant or owner through litigation, court order, or a repayment agreement in accordance with applicable requirements, included in this Plan.

CHAPTER 22: SPECIAL PROGRAMS AND ALLOCATIONS

22.1 Overview

PHA will administer special allocations of HCV vouchers for specific groups, individuals and households needing rental assistance. An applicant must meet HCV eligibility requirements as well as qualify under the specific guidelines for special program(s). When HUD awards HCV funds for a specific category of applicants, PHA will assist these households in accordance with HUD's special instructions.

22.2 Super Preference

PHA has established a Super Preference for applicants who can document that they have been displaced by a natural disaster declared by the President of the United States. Applicants displaced by declared natural disasters will take immediate priority over all other applicants and such households will move to the top of any PHA waiting list. Super Preference applicants must meet PHA income and other eligibility requirements. Applicants eligible for Super Preference Vouchers will generally be referred by agencies with oversight over the natural disaster.

22.3 Special Preference

PHA may provide emergency rental assistance in cases of extreme emergencies and natural disaster. PHA has authorized the Mayor or the Managing Director of the City of Philadelphia to certify households for emergency rental assistance in cases of extreme emergencies and natural disaster. These applicants will be serviced as certified by the Mayor of the City of Philadelphia and will not exceed fifty (50) housing opportunities annually. Applicants must meet the applicable program eligibility requirements as well as qualify under the specific guidelines for the program(s). Applicants eligible for Special Preference Vouchers will generally be referred by Mayor's office or the Managing Director of the City of Philadelphia.

22.4 Family Unification Program

The Family Unification Program (FUP) is a program under which Housing Choice Vouchers (HCVs) are provided to two different populations:

1. Families for whom the lack of adequate housing is a primary factor in:
   a. The imminent placement of the family's child or children in out-of-home care, or
   b. The delay in the discharge of the child or children to the family from out-of-home care.

   There is no time limitation on FUP family vouchers.

2. For a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older.

   FUP-eligible youth may receive FUP assistance for 36 months. This change, effective July 29, 2016, applies to FUP youth currently receiving FUP assistance as well as any new participants.

In 1994, PHA was originally approved to participate in the Family Unification Program (FUP) by HUD. PHA has received additional FUP Housing Choice Vouchers (FUP Vouchers) under subsequent allocations by HUD. FUP Vouchers are specifically for FUP-eligible households and youth, and FUP Vouchers are allocated to new FUP-eligible households and youth upon voucher turnover.

PHA has entered into an MOU with the City of Philadelphia Department of Human Services (DHS). A family eligible for a FUP Voucher must be a family certified by DHS as a family for whom the lack of adequate housing is a primary factor in (1) the imminent placement of the family's child, or children, in out-of-home care; or (2) in the delay of discharge of a child, or children, to the family from out-of-home care.

PHA shall refer households already on the waiting list to DHS for evaluation of FUP-eligibility. If DHS determines that a family on the waiting list is FUP-eligible, that family will maintain its original position on the waiting list after certification. Households referred by DHS to PHA as FUP-eligible will be placed on the waiting list in the order the referrals are received.

FUP Vouchers are treated as "Targeted Funding" as described in this Plan. Households and youth who qualify for FUP Vouchers are placed on the regular HCV waiting list. When a new FUP Voucher becomes available, the waiting list is searched for the first available family or youth meeting targeted funding criteria. These vouchers will be provided under a separate agreement to support the Family Unification Program.

22.5 Mainstream Vouchers

PHA applies non-MTW policies to Mainstream Five Vouchers (MS5). MS5 vouchers must be issued to families where the head, spouse or co-head is a person with disabilities. The qualifying family member does not have to be non-elderly. When a MS5 voucher turns over, the voucher must be reissued to a family where the head, spouse or co-head is a person with disabilities.

22.6 Veteran's Affairs Supportive Housing Program (VASH)

The HUD–VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the U.S. Department of Veterans Affairs (VA) at its medical centers and in the community. The VA refers eligible homeless veterans to PHA. PHA follows the VASH program requirements as published in the Federal Register under Docket No. FR-5213-N-01.PHA has been provided 105 vouchers to the VASH program. Applicants for VASH Vouchers are referred to PHA from the VA.

The following apply to the VASH program:

- Income limits apply at admission only;
- PHA will NOT deny admission to the HCV program to an otherwise eligible HUD-VASH family that previously participated in PHA's HCV or PH program who has prior debt;
- PHA will only screen VASH households (includes all family members, not just the veteran) for lifetime sex offender status. The HUD-VASH operating requirements state that, with the exception of screening to determine if any family member is subject to a lifetime registration requirement under a state sex offender registration program, the PHA does not have the authority to screen "potentially eligible households" or deny assistance in accordance with 982.552 or 982.553;
- Benefits received under the VA's Incentive Therapy (IT) and Compensated Work Therapy (CWT) programs are included in the calculation of a family's annual income;

- If a family no longer needs case management as determined by the VA Medical Center (VAMC), the family is still eligible for rental assistance under the HCV program. In cases where case management is no longer needed, PHA could use one of its own vouchers, if available, to continue assisting this family and free up a voucher for another HUD-VASH eligible family. If a regular voucher is not available, the family would continue utilizing the HUD-VASH Voucher. Please note that if a HUD-VASH Voucher is switched from a HUD-VASH Voucher to a regular voucher, the family is not subject to PHA's waiting list because the family is already a tenant in PHA's HCV program;

- Households are not required to find a unit within the jurisdiction of the issuing PHA. Households may live in surrounding jurisdictions under voucher portability provisions, with the only limitation being that the VAMC must be able to provide case management services;

- If a family wants to move to another jurisdiction where it will not be possible for the initial HA's partnering VAMC to provide case management services, the VAMC must first determine that the HUD-VASH family could be served by another VAMC that is participating in this program, and the receiving HA must have a HUD-VASH Voucher available for this family. In these cases, the households must be absorbed by the receiving HA either as a new admission (upon initial participation in the HUD-VASH program) or as a portability move-in (after an initial leasing in the initial HA's jurisdiction);

- The initial term of the VASH Voucher will be for 120 days. Extensions are granted per PHA policy on voucher extensions;

- The initial lease term is for a period of one year, however PHA may 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.

- VASH households who do not comply with the VAMC case management requirements will be terminated.

- In cases where a member of a HUD-VASH household is receiving protections as a victim under VAWA, and the veteran is the perpetrator, the victim will continue to be assisted. Upon termination of the perpetrator's HUD-VASH voucher due to the perpetrator's acts of domestic violence, dating violence, sexual assault or stalking, the victim will be given a regular HCV voucher, if one is available, and the perpetrator's HUD-VASH voucher should be used to serve another eligible veteran family. If a regular HCV voucher is not available for the victim, the perpetrator's assistance will be terminated and the victim will continue to use the HUD-VASH voucher, which must be issued to another eligible veteran family upon the voucher's turnover.

22.7 Special Housing Initiatives

Subject to Board approval, PHA may enter into MOUs or other agreements with qualified partner organizations and/or establish Special Housing Initiatives that provide an admissions preference to the Public Housing and/or HCV programs. The number and type of housing opportunities, eligibility and admissions criteria, lease terms, rent payments and other terms and conditions may vary from program to program. The terms and conditions of each Special Housing Initiative shall be described in MOUs or other agreements subject to Board approval.

22.8 Special Needs Units Funded by PHFA

PHA will work with the City's Office of Housing and Community Development and the Pennsylvania Housing Finance Agency (PHFA) to provide admission preferences for eligible households requiring accessible and Special Needs units and supportive services. Referrals for Special Needs units will be required to come from the City of Philadelphia's Deputy Mayor for Health and Opportunities Permanent Supportive Housing Clearinghouse (HOPSHC), which shall act as PHA's local lead agency. HOPSHC will be responsible for planning and assessing the needs of the referenced target populations; providing funding services and organizing the service system to assure tenants get services they need in a timely and comprehensive manner; management of the referral process consistent with fair housing laws; and entering into agreements with developers for referrals, pre-tenancy and post-tenancy services and supports.

To be eligible for consideration under PHA's ACC program, developers must meet the same definition of 'supportive housing' as required by PHFA, be targeting an eligible population, have an agreement with PHA's Local Lead Agency, and have easy access to transportation services. Accessible and Special Needs preferences may be applied to PH, UBV and HCV applicants.

22.9 Good Neighbors Make Good Neighborhoods

As part of the PHA Good Neighbors Make Good Neighborhoods program (formerly called "Blueprint to End Homelessness"), PHA will make additional housing opportunities available for households leaving transitional housing per the terms of the MOU with the City of Philadelphia dated April 2009, as amended.

PHA has established a limited preference category for households in the Good Neighbors program. This preference category will be capped so that on a fiscal year basis a total of 500 housing opportunities will be provided annually. PHA may adjust the mix of vouchers and PH units in its sole discretion depending on availability and demand in each program. All other occupancy, rent, and other continued occupancy policies for the PH or HCV programs, as applicable, apply to these households. Applicants for vouchers are referred to PHA from the City of Philadelphia.

22.10 Nursing Home Transition Initiative (NHTI)

The Nursing Home Transition Initiative (NHTI) is a partnership with DPW that assists persons transitioning out of nursing homes to access affordable housing. As part of NHTI, PHA administers state-supported vouchers for referrals of disabled consumers in need of low-income housing. NHTI households may be eligible for a preference for PH or HCV. In addition, PHA has entered into an MOU with Liberty Resources, Inc. to refer disabled households who may be eligible for a preference for public housing or HCV. PHA utilizes its MTW flexibility to increase HCV payment standards up to 120% of the HUD Fair Market Rents in order to secure housing, subject to rent reasonableness. Rent simplification does apply to households in the NHTI program. All other occupancy, rent, and other continued occupancy policies for the PH or HCV programs, as applicable, apply to these households. Applicants for NHTI Vouchers are referred to PHA from applicable partnering agencies.

22.11 Development Program Relocation Special Housing Initiative

PHA will provide priority admission to eligible households through the Development Program Relocation Special Housing Initiative (DPR Initiative). The DPR Initiative establishes a preference for eligible households who reside in buildings or units that must be vacated and/or demolished pursuant to a PHA development program, including but not limited to PHA's Six in Five development program.

22.12 Witness Relocation Program

PHA has a vested interest in the prosecution of homicides and other felonious violent crimes in the City of Philadelphia. Therefore, PHA may enter into MOUs with law enforcement agencies for the purpose of providing housing opportunities for witness relocation. Applicants for witness relocation vouchers are referred to PHA through the referring law enforcement agency.

Eligibility, selection, rent and continued occupancy criteria shall be defined in the MOU. The eligibility, selection, rent and continued occupancy criteria differ in several respects from the standard policies found in this Administrative Plan.

PHA and the Office of the District Attorney (DA) in Philadelphia have agreed to enter into an MOU to provide up to twenty-five (25) PHA housing opportunities, to persons, who witness homicides or other felonious violent crimes, and cooperate with the DA in the prosecution of these violent criminals.

22.13 Second Chance Initiative

MTW Policy

PHA will use its MTW authority to support implementation of the Second Chance HCV Pilot Program. PHA may provide Tenant-Based Vouchers and/or PH units for active households in good standing with two partner agencies – the Eastern District Federal Court Supervision to Aid Reentry (STAR) program and the Mayor's Office of Reintegration Services (RISE) program. Applicants for Second Chance Initiative Vouchers and PH Units are referred to PHA from the STAR and RISE programs.

The STAR program works in conjunction with Federal Probation and Parole, to offer returning citizens an opportunity to reduce their parole period by one year through participation in the STAR program. Each family signs a contract with their parole officer to transition the oversight of their parole to the two federal Judges that administer the STAR program. The STAR program collaborates with the local RISE program to provide counseling, education, job training and job placement services.

The STAR program is designed to provide multiple levels of support to returning citizens at the family, social and logistical level to assist in preventing recidivism. Participants voluntarily participate in the closely-monitored program, wherein specific criteria have to be fulfilled at regular intervals.

RISE is the lead agency in the City of Philadelphia for the management of reintegration services for those formerly incarcerated in state prisons. It provides the skills, training, and education necessary for returning citizens to successfully reintegrate into society, avoid recidivism, and lead constructive, useful lives. The STAR program is a national model for aiding federal offenders in their reentry to society in coordination with RISE.

Participants in good standing with RISE and STAR will sign an addendum to their PHA application to allow PHA to monitor their participation in the RISE and STAR programs and to communicate with their probation officer, if applicable. Participants will also report their participation in the vocational, educational, social or community service opportunities offered by PHA and/or RISE on a quarterly basis. All participants are required to be employed and maintain employment as a condition of participation; however, in the event they lose employment, they will be required to either obtain a new job or enroll in an educational or job training program as a condition of participation.

If a family does not remain in good standing with the STAR and RISE programs they risk a return to confinement and loss of the voucher or termination of their PH lease. Participants who do not meet their program responsibilities will be notified of proposed termination of assistance/lease by PHA. They may request an informal hearing/grievance through PHA's existing process to review and appeal this decision. As applicable, all requirements of PHA's MTW Tenant-Based Voucher and PH programs, including tenant rent contribution, will apply.

PHA plans to conduct the pilot program for an initial two-year period, starting in FY 2016. Prior to the end of the pilot period, PHA will determine whether to continue, discontinue or expand the program in consultation with partner agencies. PHA may modify this program and add additional housing opportunities, modify the term of the housing opportunity and/or offer preference for scattered site PH units to a limited number of Second Chance participants.

Finally, as part of the Second Chance Initiative PHA will conduct research to determine if there are other local, state or federal re-entry programs for ex-offenders with whom PHA can partner and provide additional housing opportunities. Specific program guidelines will be determined when and if PHA partners with additional re-entry program providers.

CHAPTER 23: UNIT BASED PROGRAM

PHA operates a Project Based Voucher (PBV) Program, also referred to as the Unit Based Voucher (UBV) Program. Under the UBV program, PHA enters into Housing Assistance Payments contracts with property owners to provide rental assistance to eligible low-income households.

Pursuant to its MTW authority, PHA has implemented a UBV Program that project-bases HCVs. Except as otherwise noted in this chapter, or unless specifically prohibited by UBV program requirements described herein, PHA policies for the Tenant-Based Voucher Program contained in this Administrative Plan also apply to the UBV program and its tenants.

23.1 Relocation Requirements

Any persons displaced as a result of implementation of the UBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24. The owner must either certify to PHA that the site of the project was without occupants eligible for relocation assistance, or certify that the project is on a site where there are occupants eligible for assistance. The owner must also agree to comply with the provisions of the Uniform Act and implementing regulations in 49 CFR Part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHA may not use voucher program funds to cover relocation costs, except that PHA may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a UBV project is subject to the URA and 49 CFR part 24, subpart B.

23.2 Budget Authority

PHA may select owner proposals to provide project-based assistance for up to 20 percent of the amount of budget authority allocated to PHA by HUD in the PHA Voucher program.

23.3 Owner Selection Procedures

Subject to funding availability, PHA will select UBV proposals in accordance with one of the following methods:

- Selection Method 1: PHA request for UBV Proposals. PHA may solicit proposals by using a request for proposals (RFP) to select proposals on a competitive basis in response to PHA request.

- Selection Method 2: PHA may select proposals that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (i.e., HOME, and units for which competitively awarded low-income housing tax credits [LIHTCs] have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the UBV proposal

selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive UBV assistance.

MTW Policy

Selection Method 3: Pursuant to its MTW authority, PHA may select its own units for project-basing with UBV assistance without a competitive process. PHA may unit-base assistance at properties other than public housing properties owned directly or indirectly by PHA, including those owned by PHA affiliates or instrumentalities. For purposes of this selection method, a property that may be unit-based may be a former public housing property that has been converted to HCV assistance.

23.4 Solicitation and Selection of UBV Proposal

Unless otherwise described in a solicitation that uses Selection Method 1 above, when PHA requests UBV proposals under Selection Method 1, its procedures will involve public notice which may include publication of the notice in a local newspaper of general circulation or on PHA's website and other means designed to provide broad public notice. Detailed application and selection information will be provided at the request of interested parties.

PHA may rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers PHA's goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, the extent to which services for special populations are provided on-site or in the immediate area for occupants of the property; and
- Other factors identified by PHA in the specific RFP for UBV assistance.

23.5 PHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

Using Selection Method 2, PHA may award UBV assistance to owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits.

In addition to, or in place of advertising, PHA may also directly contact specific owners that have already been selected for federal, state, or local housing assistance based on a previously held competition, to inform them of available UBV assistance.

Proposals will be reviewed on a first-come, first-served basis. PHA may evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers PHA's goal of deconcentrating poverty and expanding housing and economic opportunities;
- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, HOME program activities, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; and

- Other factors that further the mission and goals of PHA.

23.6 PHA Board of Commissioners Approval

Prior to entering into an AHAP for rehabilitated or new construction projects or a HAP contract for existing projects, PHA's Board of Commissioners (Board) must approve the issuance of UBV assistance for each project. After the project has received Board approval, PHA's Chief Executive Officer may approve modifications to the project proposal, including extension of the term of the HAP Contract, changes to the number of units receiving subsidy and/or bedroom sizes, or modifications to the unit designation (elderly, disabled, supportive services, etc.).

23.7 PHA Notice of Owner Selection

PHA will give prompt written notice to the party that submitted a selected proposal. Such notice may include a deadline by which the parties must enter into an AHAP/HAP contract. PHA will also give prompt public notice of such selection and Board Approval. Public notice procedures may include publication of public notice in a local newspaper of general circulation, on PHA's website or other means designed and actually operated to provide broad public notice.

23.8 Housing Type

PHA may attach UBV assistance for units in existing housing or for newly constructed or rehabilitated housing. A housing unit is considered an "existing unit" for purposes of the UBV program, if, at the time of notice of PHA selection, the unit substantially complied with HQS. The unit must fully comply with HQS before the execution of the HAP contract. Units for which new construction or rehabilitation was started in accordance with UBV program requirements do not qualify as existing housing.

PHA will determine what housing type, new construction, rehabilitation, or existing housing, will be used to develop unit-based housing. PHA's choice of housing type must be reflected in its solicitation for proposals.

23.9 Assistance for Certain Unit Types

MTW Policy

Pursuant to PHA's MTW authority and as part of the implementation of its Partnership Initiative, PHA may attach or pay UBV assistance to certain types of properties that would otherwise be ineligible for such assistance. PHA may attach or pay UBV assistance to properties that may include but are not limited to shared living facilities, nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (including assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; and transitional housing. Consistent with the foregoing, PHA may allow students to reside in units designated for occupancy by students even if such students would normally be prohibited from admission to the HCV or UBV program.

PHA will not attach or pay UBV assistance for a unit occupied by an owner and PHA may not select or enter into an agreement to enter into a HAP contract for a unit occupied by a family ineligible for participation in the UBV program.

23.10 Subsidized Housing

Unless part of its “shallow” subsidy UBV program, PHA will not attach or pay UBV assistance to units that are already receiving another form of subsidized housing operating assistance. With respect to a shallow subsidy UBV program, PHA will not attach or pay UBV assistance to units receiving another form of subsidized operating assistance if the UBV assistance would be duplicative or would otherwise over-subsidize the unit. For purposes of this section, other forms of subsidized housing operating assistance include the following:

- A public housing unit;
- A unit subsidized with any other form of HCV assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy.

23.11 Subsidy Layering Requirements

HUD or an independent entity approved by HUD must conduct a subsidy layering review and determine that the UBV assistance is in accordance with HUD subsidy layering requirements. The subsidy layering review is intended to prevent excessive public assistance by combining (layering) the housing assistance payment subsidy under the UBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

PHA will not enter into an AHAP or HAP for any new construction or rehabilitated UBV units until the subsidy layering review has been completed. Subsidy layering reviews are not required for existing housing.

23.12 Cap on Number of UBV Units in Each Building

At all times, PHA may unit base 100 percent of the dwelling units in a project selected in accordance with one of the selection methods set forth in the section on “Owner Selection Procedures” and which has one or more of the following characteristics:

- The units are in a single-family building (one to four units);
- The units are made available for elderly or disabled households or households receiving supportive services (also known as *qualifying families*).

The RFP for UBV assistance will describe the type of supportive services that will qualify for the above. It is not necessary that the supportive services be provided at or by the project, if they are approved services. PHA will not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a qualifying family at the time of initial tenancy is receiving FSS supportive services or any other supportive services as defined in the PHA Administrative Plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as a unit receiving supportive services for as long as the family resides in the unit.

MTW Policy

PHA may unit-base up to 100 percent of the dwelling units in any UBV project or building. If the project has a supportive services requirement, participating households must adhere to the supportive service requirements.

23.13 Site Selection Standards

23.13.1 Compliance with UBV Goals and Civil Rights Requirements

Sites selected to receive UBV assistance must comply with the following requirements:

- The site must comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964 with respect to determining the location of newly constructed or acquired units.

- Units may be located in PHA's jurisdiction, including but not limited to the following types of urban areas: (1) An area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities; (2) an area where public housing units were previously constructed and were demolished; (3) a racially or economically impacted area where PHA plans to preserve existing affordable housing; (4) an area in connection with a HOPE VI or other HUD-funded master planned development; (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area; (6) an area with a lower concentration of public housing units; or (7) an area designated by the City of Philadelphia as a blight elimination zone.

- When developing or substantially rehabilitating 6 or more UBV units in a project, PHA will require an owner applying for the UBV assistance to advise current tenants of the subject properties and representative community groups in the vicinity of the subject property by letter to tenant organizations and by public meeting, of the revitalization plan. Documentation that this requirement has been met will be maintained by PHA.

- PHA or an owner applying for the UBV assistance must conduct a housing needs analysis indicating that there is a real need for the housing in the project area.

23.13.2 Environmental Review

PHA activities under the UBV program are subject to HUD environmental regulations in 24 C.F.R. parts 50 or 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and related applicable federal laws and

authorities in accordance with 24 C.F.R. 58.5 and 58.6. PHA will not enter into an AHAP or HAP contract until the owner has complied with the environmental review requirements and the review is completed.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not UBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

PHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. PHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

23.14 Housing Quality Standards

The Housing Quality Standards (HQS) for the tenant-based program or other local standard established by PHA pursuant to its MTW authority, including those for special housing types, generally apply to the UBV program. The physical condition standards at 24 C.F.R. 5.703 do not apply to the UBV program.

23.15 Lead-based Paint

The lead-based paint requirements for the tenant-based Voucher program do not apply to the UBV Program. A risk assessment in accordance with 24 CFR 35.1320(b) is required for properties with five or more units. A visual assessment in accordance with 24 CFR 35.720 is required for properties with four or fewer units. Additionally, the following regulations apply to the UBV program: The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R.

PHA reserves the right to require additional lead testing and/or abatement as needed.

23.16 Housing Accessibility for Persons with Disabilities

Housing selected for the UBV program must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 C.F.R. part 8. Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 C.F.R. 100.205, as applicable.

PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

23.17 Agreement to Enter into HAP Contract

In order to offer UBV assistance in rehabilitated or newly constructed units, PHA will enter into an agreement to enter into an AHAP contract with the owner of the property. PHA may develop a local Agreement form to reflect the features of its UBV program.

In the AHAP the owner agrees to develop the UBV contract units to comply with HQS, and PHA agrees that upon timely completion of such development in accordance with the terms of the AHAP, PHA will enter into a HAP contract with the owner for the contract units.

PHA will not enter into an AHAP with the owner until the subsidy layering review is completed and PHA has received environmental approval.

When selecting a proposal for rehabilitated or newly constructed units, PHA will not enter into a HAP contract until construction of the units is completed and the units have been determined to comply with HQS or such other local standard implemented by PHA pursuant to its MTW authority.

23.18 Conduct of Development Work for New Construction and Rehabilitation

23.18.1 Labor Standards

If an AHAP covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must comply with the Davis-Bacon Act in relation to wages paid to laborers and mechanics employed in the development of housing. The AHAP will include the labor standards clauses required by HUD for insertion into contracts with contractors and subcontractors, such as those involving the Davis-Bacon Act. Any development initiated on existing units after the project is selected to receive UBV assistance or within 18 months after the effective date of the HAP contract triggers Davis-Bacon wage requirements.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations.

23.18.2 Equal Opportunity

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements. See PHA's Section 3 policy for further information on Section 3 requirements.

23.18.3 Owner Disclosure

The AHAP and HAP contract will include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the AHAP, the HAP contract, or HUD regulations.

23.18.4 Evidence of Completion

At a minimum, the owner must submit the following evidence of completion to PHA in the form and manner required by PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing (See **23.18.1 Labor Standards** and **23.18.2 Equal Opportunity**); and
- Certificate of Occupancy for all units.

At PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

23.18.5 PHA Acceptance of Completed Units

Upon notice from the owner that the housing is completed, PHA will inspect to determine if the housing has been completed in accordance with applicable requirements, including compliance with HQS and any additional requirements imposed under the RFP or award letter. PHA must also determine if the owner has submitted all required evidence of completion.

If PHA determines the work has been completed in accordance with the foregoing and that the owner has submitted all required evidence of completion, PHA will execute the HAP contract with the owner.

23.19 Inspecting Units

23.19.1 Pre-selection Inspection – Existing Housing

PHA will inspect all the units on or about the proposal selection date and will determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date.

23.19.2 Pre-HAP Contract Inspections

PHA must inspect each contract unit before execution of the HAP contract. PHA will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

23.19.3 Turnover Inspections

Before providing assistance to a new family in a contract unit, PHA will inspect the unit. PHA will not provide assistance on behalf of a family until the unit fully complies with HQS.

23.19.4 Regular Inspections

At least biennially during the term of the HAP contract, PHA will inspect each unit in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this regular inspection requirement. PHA may alter the regular inspection frequency as needed to ensure that HQS standards are met.

23.19.5 Other Inspections

PHA will inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. PHA will take into account complaints and any other information coming to its attention in scheduling inspections.

PHA will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS. In conducting PHA supervisory quality control HQS inspections, PHA will include a representative sample of both tenant-based and unit-based units.

23.20 Housing Assistance Payments Contract (HAP)

PHA will enter into a HAP contract with an owner for units that will receive UBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible households. Housing assistance is paid for contract units leased and occupied by eligible households during the HAP contract term. PHA uses the HUD HAP contract as modified by PHA's MTW Authority.

With the exception of single family scattered site projects, a HAP contract shall cover a single project. If multiple projects exist, each project shall be covered by a separate HAP contract. A *single-family* property is a single structure containing one to four family *dwelling units. A* "project" is defined as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

23.20.1 Execution of the HAP Contract

PHA will not enter into a HAP contract until each contract unit has been inspected and PHA has determined that the unit complies with the Housing Quality Standards (HQS).

23.20.2 Term of HAP Contract

PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than fifteen years. The term of all UBV HAP contracts will be negotiated with the owner on a case-by-case basis.

23.20.3 HAP Contract Extension

Prior to expiration of the HAP contract, PHA may extend the term of the contract for an additional term of up to fifteen years if PHA determines an extension is appropriate to continue providing affordable housing for low-income households. All extensions are subject to funding availability and the conditions prescribed by PHA at the time of the extension. When determining whether or not to extend an expiring UBV contract, PHA will consider whether such extension is in the interests of PHA and its low-income households.

23.20.4 Termination by PHA

The term of PHA's contractual commitment is subject to the availability of sufficient appropriated funding. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units for the full term of the HAP contract, PHA may terminate units from the HAP contract or the entire HAP contract by written notice to the owner.

23.20.5 Termination by Owner

The owner may terminate the HAP contract, upon notice to the PHA, if the amount of the rent to owner for any contract unit, as adjusted in accordance with regulatory and agency requirements, is reduced below the amount of the initial rent to owner (rent to owner at the beginning of the HAP contract term). In this case, the assisted households residing in the contract units will be offered tenant-based voucher assistance, subject to funding availability.

23.20.6 Remedies for HQS Violations

PHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS or comparable local standards established pursuant to PHA's MTW authority. If PHA determines that a contract does not comply with such standard, PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

PHA will abate and terminate UBV HAP contracts for non-compliance with HQS in accordance with the policies used in the Tenant-Based Voucher Program. These policies are contained in **11.23 Enforcing Owner Compliance**.

23.21 Amendments to Housing Assistance Payments Contract

23.21.1 Substitution of Contract Units

At PHA's discretion and at any time during the term of the HAP contract, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit.

The HAP contract will be amended to remove the unit and substitute another unit, subject to the following conditions:

- PHA must inspect the substituted unit prior to occupancy;
- Rent for the substituted unit will be the same as the removed unit; provided it meets PHA's rent reasonableness standards; and
- PHA and the owner must sign an amendment to the HAP contract specifying the location of the substituted units.

23.21.2 Addition of Contract Units

Only during the first three years of the HAP contract, the HAP contract may be amended at PHA's discretion to add additional UBV units in the same building. The added units must meet all UBV program requirements except that a new UBV proposal is not required. PHA may consider adding contract units to the HAP contract when PHA determines that additional housing is needed to serve eligible low-income households. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units or an influx of displaced households);
- Voucher holders are having difficulty finding units that meet program requirements; or
- Voucher holders are having difficulty finding accessible units.

23.21.3 Reduction of Contract Units

PHA may reduce the number of HAP contract units in accordance with the policies related to tenant rent equaling the rent to owners, extended vacancies, units with failed HQS re-inspections and abatements (See **CHAPTER 11: HOUSING QUALITY STANDARDS**), and insufficient funding. PHA may remove a

unit by giving notice to the owner that the HAP Contract is amended to reduce the number of contract units (according to the bedroom size) for the specified reason.

Units occupied by households whose income has increased during their tenancy resulting in the tenant rent equaling the rent to the owner, shall be removed from the HAP contract 180 days following the last housing assistance payment on behalf of the family. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by PHA. If the project is fully assisted, PHA may reinstate the unit removed from the HAP contract after the ineligible family vacates the property. If the project is partially assisted, PHA may substitute a different unit for the unit removed from the HAP contract when the first eligible substitute unit becomes available.

23.21.4 HAP Contract Anniversary and Expiration Dates

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the date for the first contract units that were originally placed under contract.

23.21.5 Owner Responsibilities under the HAP Contract

When the owner executes the HAP contract she/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by PHA or the owner, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and

- The family does not own or have any interest in the contract unit.

23.22 Requirements for PHA-Owned Units

MTW Policy

Upon HUD approval, using its MTW flexibility, PHA waives the independent entity requirements for PHA owned units.

Using Selection Method 3 described in **23.3 Owner Selection Procedures**, PHA may unit-base PHA-owned units, subject to HUD's requirements regarding subsidy-layering. Units owned by PHA that are selected for UBV assistance are subject to certain requirements.

23.22.1 Inspecting PHA-Owned Units

- **Turnover, Biennial Inspections, Follow-Up Inspections and Other Inspections**
  - The independent entity will inspect each unit before providing assistance to a new family in a contract unit and at least biennially during the term of the HAP contract.
  - The independent entity will also conduct all follow-up inspections and other HQS inspections whenever needed to determine that the units comply with HQS.

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to PHA.

PHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by PHA. The independent entity responsible for inspections will re-inspect the units after PHA notifies the independent entity that the HQS deficiencies have been repaired.

23.22.2 Rent to Owner for PHA-Owned Units

The amount of the initial rent to an owner of units receiving UBV assistance is established at the beginning of the HAP contract term. For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with UBV program requirements.

23.23 Additional HAP Requirements

23.23.1 Housing Quality and Design Requirements

The owner is required to maintain and operate the contract units and premises in accordance with HQS or such other local standard established by PHA pursuant to its MTW authority, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

PHA may elect to establish additional requirements for quality, architecture, or design of UBV housing. Any such additional requirements must be specified in the agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

PHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the UBV project. PHA will specify any special design standards or additional requirements in the invitation for UBV proposals, the agreement to enter into HAP contract, and the HAP contract.

23.23.2 Vacancy Payments

PHA will not pay vacancy claims under the UBV program.

23.24 Authorization for Use of SBWL

MTW Policy

Utilizing authority granted to PHA under its MTW Agreement with HUD, PHA may, at its discretion, provide written authorization to owners of UBV developments to manage and maintain SBWL. All policies in the section under Owner Managed Site-Based Waiting Lists use MTW authority.

23.24.1 Request for Owner Managed SBWL

Owners must prepare and submit a written request to operate an owner managed UBV SBWL. As part of the SBWL request, owners must submit their proposed Tenant Selection Plan. PHA will review all requests and provide a written response regarding the outcome of their request to operate a UBV SBWL. Review elements include but are not limited to:

23.25 Tenant Selection Plan

Prior to execution of the HAP contract and as part of the approval process for owner management of SBWL, PHA will review approve the owner's Tenant Selection Plan for the project. The Tenant Selection Plan must include the following:

- Owner acknowledgement of the requirement to follow applicable policies in PHA's Administrative Plan. PHA will provide owners with a list of policies which may be modified by the owner.
- Procedures for accepting applications and selecting applicants from the waiting list including acknowledgement that PHA policies for opening and closing the waiting list, accepting applications and selecting applicants from the waiting list must be followed.
- Policies on site specific preferences, screening, security deposits, unit transfers and modification of the Tenant Selection Plan.
- Statement of non-discrimination including the owner's policy to promote equal opportunity and non-discrimination in accordance with the federal and state constitutions and legislative enactments addressing discrimination in housing.

23.26 Applying for UBV Assistance

Many of the provisions of the Tenant-Based Voucher regulations also apply to the UBV program, including requirements related to selecting applicants from the waiting list and determining eligibility. Even with these similarities, there are requirements that are unique to the UBV program. This section describes the requirements and policies related to eligibility and admission to the UBV program.

Applicants for the UBV program may be:

- Tenants in PHA's Tenant-Based Voucher Program
- Applicants who applied directly to the UBV Program/site; or
- Applicants who were referred from authorized service providers to a specific UBV site based on the program/services/selection criteria for the site.

23.27 Selection of UBV Program Participants

Owners will select UBV applicants for UBV vacancies in concert with PHA's policies on selection from the waiting list and the owner's tenant selection plan which must be approved by PHA. Generally, this means using date and time of application, unit size and any applicable selection preference.

23.28 Supportive Housing & UBV

As part of PHA's UBV program, PHA partners with Philadelphia's Office of Supportive Housing to provide UBV housing for eligible families. Applicants for these programs are referred by the Office of Supportive Housing to the UBV owner and PHA. Management of the referral process is consistent with fair housing laws.

23.29 In-Place Families

An eligible family residing in a proposed UBV contract unit on the date a proposal is selected by PHA is considered an "in-place family." These households are afforded protection from displacement. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family will be placed on the SBWL. If the family's continued eligibility for UBV assistance is determined (PHA may deny assistance to an in-place family for the grounds specified in this Administrative Plan), the family will be given an absolute selection preference and PHA will refer these households to the project owner for an appropriately sized UBV unit in the project. Admission of eligible in-place families are not subject to income targeting requirements.

This protection from displacement does not apply to households that are not eligible to participate in the program on the proposal selection date.

23.30 Preferences

Where PHA has established selection preferences and/or criteria for occupancy of particular UBV developments or units, owners must select applicants from the waiting list in accordance with the established preferences and/or selection criteria. The selection criteria for a preference must be clearly defined in the owner's Tenant Selection Plan. PHA may give preference to disabled households who need services offered at a particular project or site if the preference is limited to households (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;

- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and

- For whom such services cannot be provided in a non-segregated setting.

23.31 Units with Accessibility Features

In the event an accessible unit/unit with accessible features is occupied by a family that does not require those features, the family in the accessible unit must move when a non-accessible unit becomes available and a resident or applicant with a disability requires such a unit. Households living in accessible units or units with accessible features that do not require such units/features will be given advance notice when a resident or applicant with a disability is identified for the unit. See **23.61.2 Inappropriately Housed in an Accessible Unit Transfer**. PHA requires that households living in accessible units in UBV developments sign an accessible unit lease addendum.

23.32 Screening

23.32.1 Owner Screening

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for income eligible households. Owners have the right to screen and either accept or reject an applicant in accordance with their PHA approved Tenant Selection Plan.

Owners must conform to the following requirements regarding screening:

- Collect required verifications and other documents from applicants. Owners must obtain and use PHA release forms when conducting applicant screening.

- Conduct initial eligibility and suitability screening of applicants selected from the waiting list. Note that PHA makes the final eligibility determination.

- Maintain a written record of screening results and include in the applicant's file. Records of rejected or ineligible applications must be maintained by the owner for at least four years and must contain the reason for rejection or ineligibility. These results must be provided to PHA upon request. Applicants that were denied for site-specific screening may maintain their name on other site-based waiting lists and on any PHA waiting list;

- Inform applicants, in writing, if the applicant is rejected or otherwise determined ineligible based on the initial eligibility and suitability screening, including providing the applicant with the reason for the rejection or ineligibility determination. The denial/ineligible notification letter must include information on the applicant's right to request an informal review of the decision, the right to request a reasonable accommodation and the process by which the informal review and reasonable accommodation is requested. If an applicant requests an informal review, the owner must provide PHA with the application and screening documentation;

- Forward approved applicant files to PHA for final eligibility determination and calculation of tenant rent amount prior to housing the family. PHA will not make housing assistance payments for applicants that are housed in a UBV unit prior to PHA's authorization.

If a UBV owner rejects a family for admission to the owner's units, such rejection will not affect the family's position on the PHA tenant-based voucher waiting list or other UBV SBWL.

23.32.2 PHA Screening

PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening. Generally, PHA will not conduct screening to determine a UBV applicant family's suitability for tenancy.

PHA will provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by PHA) of the family's current landlord and any prior landlords.

23.33 Eligibility for UBV Assistance

For current voucher program tenants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of UBV assistance. However, current voucher program tenants are still subject to eligibility and screening requirements set forth in the owner's PHA approved Tenant Selection Plan. For all others, eligibility for admission must be determined at the commencement of UBV assistance.

Applicants for UBV assistance must meet the same PHA eligibility requirements as applicants for the tenant-based voucher program. Applicants are also subject to eligibility and screening requirements set forth in the owner's PHA approved Tenant Selection Plan. PHA reserves the right to make the final eligibility determination for any UBV applicant.

Once an owner informs PHA that they have selected a family for an appropriately sized UBV unit and have deemed that applicant suitable for housing at their site, PHA will screen the applicant for program eligibility.

No client may enter into a lease until PHA has determined eligibility.

If PHA determines that a family is not eligible for any reason, the family has a right to an informal review; however, the owner is not required to hold the unit vacant until the outcome.

Should the ineligibility determination be reversed, the applicant will be placed back on the UBV waiting lists in the same position they were in at the time of the finding of ineligibility.

If the original unit is still available at the time the determination is reversed, PHA will work with the owner to lease the applicant up as expeditiously as possible.

23.34 Unit Offers

UBV owners are generally required to offer vacant units to existing UBV households within the owner's UBV portfolio or to UBV households on the transfer waiting list prior to housing applicants on the site-based waiting list. Owners will be required to follow a PHA approved ratio of new admissions to transfers. As needed, PHA will review occupancy trends and, based on that review, may revise the ratio of new admissions to transfers.

Order of selection for vacant units for existing UBV tenants is subject to **23.61 Hierarchy of Transfers**. Within the same transfer category, tenants will be selected according to date and time of transfer request. In all cases, voluntary transfers must be offered vacant units after mandatory transfers. Among tenants within the same transfer category, selection must be in accordance with date and time of transfer request.

23.35 Right to a Tenant Based Voucher

MTW Policy

Upon leasing a UBV unit, the tenant family relinquishes all rights to a Tenant-Based Voucher. The family will certify that PHA is not required to offer further assistance if the family vacates the selected unit. UBV tenants are not eligible for a preference to receive a Tenant-Based Voucher from PHA; however, UBV tenants may apply for a Tenant-Based Voucher, public housing unit or other available housing resources offered by PHA or other agencies according to the application policies applicable to those programs provided that the waiting list(s) are open. If tenants in the UBV program are already on another waiting list, they will not be removed if they accept a UBV unit.

PHA will provide a Tenant-Based Voucher to a UBV tenant as a result of extended HQS failures. See policy at **23.62 HQS Failures**

PHA may offer a Tenant-Based Voucher to a UBV tenant who has successfully completed the FSS program and has been deemed eligible for a Homeownership Voucher.

In extenuating circumstances and subject to funding availability, PHA may offer tenant-based assistance, according to the hierarchy of UBV transfer, for households requiring:

- Transfers due to Personal Safety/VAWA/Other Emergency;
- Reasonable accommodation transfers.

23.36 Unit Refusal

If an applicant responds to the owner and states he/she is no longer interested in a UBV unit or turns down the offer of a UBV unit, the owner will remove the applicant from all waiting lists overseen by that owner. The applicant will retain his/her position on all other UBV and PHA waiting lists.

The owner may not remove a tenant from the UBV waiting list if the tenant had good cause for refusing the unit. **See 23.36.1 Good Cause Refusal of UBV Units** policies.

If an applicant refuses a unit-based unit without good cause, removal from the owner's waiting list is subject to the owners Tenant Selection Plan.

23.36.1 Good Cause Refusal of UBV Units

Applicants/Tenants may refuse to accept a unit offer for "good cause." If a good cause for refusal is verified by PHA, applicants/tenants may retain their waiting list position. There are 2 types of good cause:

- Situations in which an applicant/tenant is willing to move but is unable to do so at the time of the unit offer (e.g. the applicant/tenant is in the hospital or is serving on a sequestered jury);
- Situation in which the applicant/tenant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc.

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

- Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, such that accepting the unit offer would require the adult family member to quit a job, drop out of an educational institution or job training program,

or take a child out of day care or an educational program for children with disabilities;

- The family demonstrates to PHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation consistent with the documentation requirements found in **3.12.7 Victim Documentation**. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;

- A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on the final application or Lease) or live-in aide necessary to the care of the principal household member;

- The unit is inappropriate for the applicant's/tenant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move;

PHA will require documentation of good cause for unit refusals and will verify all claims of good cause. Good cause refusal policies may also be applied to unit offers related to applicable transfers.

23.37 Family Briefing

After a family accepts an offer for UBV assistance and prior to signing the lease, the family is required to attend a verbal briefing conducted by PHA. The briefing may include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, PHA will provide the family with a briefing packet that explains how PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

23.38 Leasing

During the term of the HAP contract, the owner must lease contract units to eligible households that are selected in accordance with established policies and procedures. The contract unit leased to the family must be the appropriate size unit for the size of the household, based on PHA's subsidy standards.

23.39 Lease

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is legally allowed to enter into a contract resulting in the tenant being bound by the terms of the lease and able to enforce the terms of the lease against the owner. The tenant and the owner must enter into a written lease agreement signed by both parties.

The lease for a UBV unit must specify all of the following information:

- The names of the owner and the tenant;

- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);

- The term of the lease (initial term and any provision for renewal);

- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;

- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and

- The amount of any charges for food, furniture, or supportive services.

If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include the PHA tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by PHA. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease. PHA may review the owner's lease form to determine if the lease complies with state and local law. If PHA determines that the lease does not comply with state or local law, PHA may decline to approve the tenancy.

23.40 Initial Lease Term and Lease Renewal

The initial lease term must be for at least two years. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause", (see **CHAPTER 20: TERMINATION OF ASSISTANCE AND TENANCY**) or refuse to renew the lease without good cause. In the PBV program, "good cause" does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose. If the owner refuses to renew the lease without good cause, PHA will provide the family with a Tenant-Based Voucher, subject to funding availability, and remove the unit from the UBV HAP contract.

23.41 Security Deposits

The owner may collect a security deposit from the tenant. PHA prohibits security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

Subject to state and local law, PHA will allow the owner to collect a security deposit amount the owner determines is appropriate. When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant. If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance form the tenant. PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

23.42 Changes in the Lease

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give PHA a copy of all changes.

The owner must notify PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by PHA and in accordance with the terms of the lease and the HAP contract.

PHA will re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

23.43 UBV Tenancy Addendum

PHA has developed its own UBV Tenancy Addendum which reflects applicable HUD requirements as well as the features of PHA's MTW UBV program. The UBV Tenancy Addendum must be incorporated as part of the lease. Execution of the PHA's MTW UBV Tenancy Addendum is required for leasing at any UBV site.

The tenancy addendum states:

- The program tenancy requirements;
- The composition of the household as approved by PHA (the names of household members and any PHA-approved live-in aide); and
- The terms of the tenancy addendum prevail over other provisions of the lease.

23.44 Filling Vacancies

The owner must notify PHA, in writing, within 5 business days of learning about any vacancy or expected vacancy. Owners must promptly refer households to PHA for screening by PHA to minimize the likelihood and length of any vacancy.

Where applicable and in accordance with the transfer to new admission ratio, PHA must make reasonable efforts to promptly refer households from the Transfer Waiting List to fill such vacancies.

23.45 Reduction in HAP Contract Units Due to Vacancies

If any contract units have been vacant for 120 or more days, PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

23.46 Determining Initial Rent to Owner

The amount of the initial rent to an owner of units receiving UBV assistance is established at the beginning of the HAP contract term.

23.47 Rent Limits

The rent to owner will not exceed the lowest of the following amounts:

- An amount determined by PHA, not to exceed 110 percent of the applicable fair market rent (or any PHA exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner (see **23.53.2 Rent Floor** for the application of rent floor policies).

MTW Policy

The rent to owner will not exceed the lowest of the following amounts:

- An amount determined by PHA, not to exceed 110 percent of the applicable fair market rent (or any PHA exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent;
- The rent requested by the owner; or
- Such other amount determined by PHA to be appropriate for the unit based upon the nature of the unit and the RFP from which the owner was selected. For example, in certain cases, PHA believes a shallower subsidy is more appropriate.

23.48 Rent Limits in Certain Tax Credit Units

For certain tax credit units, the rent limits are determined differently than for other UBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds a PHA-determined amount (not to exceed 110 percent of the fair market rent or any approved exception payment standard).

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

23.49 Use of FMRs, Exception Payment Standards and UAs

When determining the initial rent to owner, PHA will use the most recently determined FMR and exception payment standard in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, PHA will use the most recently determined FMR and exception payment standard and the utility allowance schedule in effect at the time of re-determination. At its

discretion, PHA may, for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for re-determinations of rent, the 30-day period immediately before the re-determination date.

Any HUD-approved exception payment standard amount under the Tenant-Based Voucher Program also applies to the UBV Program. HUD will not approve a different exception payment standard amount for use in the UBV program.

The same utility allowance schedule applies to both the Tenant-Based and Unit-Based Voucher Programs.

23.50 Rent Increase

If an owner wishes to request an increase in the rent to owner from PHA, the request must be submitted to PHA 90 to 120 days prior to the anniversary of the HAP contract and must include the new rent amount the owner is proposing. The request must be in writing and in the form and manner required by PHA. Only if the owner has complied with the requirements of the HAP contract, including compliance with HQS, may PHA approve rent increases in accordance with the rent limits described in this chapter. There are no provisions in the UBV program for special adjustments (i.e. adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units, which have resulted from substantial general increases in real property taxes, utility rates or similar costs). The owner may not receive any retroactive increase of rent for any period of non-compliance.

23.51 Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR, or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where, PHA has elected, within the HAP contract, not to reduce rents below the initial rent to owner and, upon re-determination of the rent to owner, the reasonable rent would result in a rent below the initial rent. If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

23.52 Notice of Rent Changes

The rent to owner is re-determined by written notice by PHA to the owner specifying the amount of the re-determined rent. PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract.

23.53 Reasonable Rent

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit will not exceed the reasonable rent for the unit as determined by PHA (see **23.51 Rent Decrease**).

23.53.1 When Rent Reasonable Determinations are Required

PHA will re-determine the reasonable rent for a unit receiving UBV assistance whenever any of the following occur:

- The owner requests an increase in rent (at the time authorized under the HAP contract);
- PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

MTW Policy

PHA eliminated the requirement at 983.303(b) to re-determine the reasonable rents for PBV units whenever there is a five percent or greater decrease in the published FMR in effect sixty days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary.

23.53.2 Rent Floor

At PHA's option, PHA may elect within the HAP contract not to reduce rents below the initial rent to owner except under the following circumstances:

- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to § 983.55; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

Generally rent floors will only be utilized for projects that include tax credit financing where the lender/investor requires a rent floor.

23.53.3 How to Determine Reasonable Rent

The reasonable rent of a unit receiving UBV assistance is determined by comparison to rent for other comparable unassisted units. See **12.1 How Reasonable Rents are Determined**.

23.53.4 Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

23.54 Effect of Other Subsidy and Rent Control

23.54.1 Other Subsidy

At its discretion, PHA may reduce the initial rent to owner because of other governmental subsidies, including grants and other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive an Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) Below Market Interest Rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

23.54.2 Rent Control

In addition to the rent limits set by UBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

23.55 Payments to Owner

23.55.1 Housing Assistance Payments

During the term of the HAP contract, PHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment will be paid to the owner on or about the first day of the month for which payment is due, unless the owner and PHA agree on a later date.

PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if family goods or property are left in the unit).

The amount of the housing assistance payment by PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

23.55.2 Tenant Rent to Owner

The tenant rent is the portion of the contract rent paid by the family. The amount of tenant rent is determined by PHA in accordance with PHA's MTW policies and HUD requirements, as applicable. Any changes in the amount of tenant rent will be effective on the date stated in PHA's notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by PHA. The owner must immediately return any excess payment to the tenant.

23.56 Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by PHA. Likewise, PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

23.57 Utility Allowance Payments

If the amount of the utility allowance exceeds the total tenant payment, PHA will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, or to the utility company on the tenant's behalf after notice to the tenant, and the tenant rent to the owner must be zero. See **9.10 Utility Allowance Payments** regarding quarterly UAP payments.

23.58 Other Fees and Charges

23.58.1 Meals and Supportive Services

With the exception of UBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving UBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

23.58.2 Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

23.59 Transfer Waiting Lists

23.59.1 Centralized UBV Transfer Waiting List

PHA maintains a centralized UBV transfer waiting list for transfers for households needing to move due to conditions listed under Transfer policies. If there is no appropriate unit available in the owner's UBV portfolio after determination of the need for transfer by the owner, the owner must notify PHA of the need for a unit and PHA will place the family on the UBV Transfer waiting list. PHA will then attempt to identify an appropriate vacant unit in a different UBV development that meets the family's needs. PHA cannot guarantee that such a vacant unit will be available within a reasonable period of time. Therefore, the waiting time on the UBV Transfer waiting list may be lengthy.

23.59.2 Order of Selection from the UBV Transfer Waiting List

When a UBV owner notifies PHA of a vacancy or expected vacancy, based on the new admission to transfer ratio, PHA will notify the owner to select an applicant from their waiting list or refer a family from the UBV Transfer waiting list. If PHA refers a family from the UBV Transfer waiting list, the family will be selected in accordance with the UBV transfer hierarchy and accordance with PHA's policies on selection from the waiting list. Generally, this means using transfer preference, date and time of transfer approval and unit size.

23.60 Transfers

Generally, UBV transfers occur when one or more of the following conditions apply:

- The family is over housed or under housed (Occupancy Standard Transfers);
- The family requires a move because of an approved reasonable accommodation request (Reasonable Accommodation Transfer);
- The family has emergency circumstances which have been verified and approved by the owner and PHA (Personal Safety/VAWA/Other Emergency Transfer); see 1 **Transfers and Portability Under VAWA**); or
- The family, who does not need an accessible unit, is housed in an accessible unit and the unit is needed by a tenant or applicant; (Accessible Unit Transfer)

PHA will contact the owners of different UBV developments when an appropriate vacant unit for the approved transfer family is available. The transfer family will be required to contact the UBV owner to complete an application. The UBV owner will then conduct its regular screening process and may select or reject the family pursuant to its existing PHA-approved Tenant Selection Plan as well as any other approved occupancy requirements.

Households wishing to live at another UBV site must apply directly to the site. The family must complete the initial lease term before they will be authorized to move from one UBV development to another. PHA will not maintain a transfer waiting list for households requesting to move to another UBV site with continued assistance unless the family has been approved for one of the mandatory or voluntary transfers as defined in the following section.

See policies at **23.35 Right to a Tenant Based Voucher** for instances where PHA may offer a tenant based voucher to UBV tenants.

23.60.1 PHA Initiated Transfers

PHA initiated transfers are mandatory. Assistance will be terminated for households who refuse PHA initiated transfers without good cause. The following are reasons for PHA initiated transfers.

- Occupancy standard transfers
- Accessible unit transfers

23.60.2 Tenant-Initiated Transfers

The following are the reasons for tenant initiated transfers. Tenant initiated transfers are voluntary, meaning that the transfer request is voluntarily made by the tenant.

- Personal safety/VAWA/other emergency
- Reasonable accommodation

A family that requests a transfer and refuses a unit without good cause will be removed from the transfer waiting list and may not reapply for a transfer for a period of one year from the date of unit refusal. See policies at **23.35 Right to a Tenant Based Voucher** for instances where PHA may offer a tenant based voucher to UBV tenants.

23.61 Hierarchy of Transfers

After PHA's approval of a family's transfer request, PHA will attempt to locate an appropriate unit for the family within the UBV program. If there are no appropriate units available, the family will be placed on PHA's Transfer waiting list. Among UBV households within the same transfer category, selection will be made according to date and time of the approved transfer request. PHA's centralized Transfer waiting list will use the following hierarchy for selection:

- Personal Safety/VAWA/Emergency
- Inappropriately Housed in an Accessible Unit
- Reasonable Accommodation
- Occupancy Standard

23.61.1 Occupancy Standard Transfers

Owners must ensure that households are occupying the correct size units according to PHA subsidy standards. When a family is occupying a unit that is the incorrect size, based on PHA's subsidy standards, the owner must notify the family of this determination, and offer the family the opportunity to receive continued housing assistance in another appropriately sized unit. These transfers are referred to as Occupancy Standard Transfers.

If there are no appropriate units available in the same development, the owner must promptly transmit a transfer request to PHA. PHA will place the family on the Transfer waiting list. Households will be selected for Occupancy Standard transfers consistent with the date and time of request and hierarchy of UBV transfers.

When the family is offered another UBV unit, the family will be given 30 days from the date of the offer to accept the offer and move out of their UBV unit. If the family does not move out within this 30-day time frame, PHA will terminate the housing assistance payments at the expiration of this 30-day period. PHA

may make exceptions to this 30-day period if needed as a reasonable accommodation or for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

23.61.2 Inappropriately Housed in an Accessible Unit Transfer

In order to minimize loss of income to a project, an accessible unit may be leased to a family that does not require the unit's special features under the following circumstances:

- It has been vacant for at least 30 days; and
- The owner/project sponsor has exhausted its outreach sources to identify a family that would benefit from the unit's accessible features.

Owners must utilize and applicable families must sign a lease addendum that requires an inappropriately housed family to move from an accessible unit when a family that needs the accessibility features is identified for the unit.

Upon need of the accessible unit by an applicant or tenant, the family not needing the accessible unit must vacant the unit if and when an appropriately sized unit is available. If there is a suitable UBV unit available within the project, the owner must offer the unit to the family currently occupying the accessible unit. The owner must notify PHA and PHA must approve all intra-development transfers in advance.

If there are no appropriate units available in the same development, the owner must promptly transmit a transfer request to PHA. PHA will place the family on the Transfer waiting list. Households will be selected for Accessible Unit Transfers consistent with the date and time of request and hierarchy of UBV transfers. While the family is on the Transfer waiting list, the family will remain in the accessible unit without penalty until such time as an appropriate unit becomes available to the family.

When the family is offered another UBV unit, the family will be given 30 days from the date of the offer to accept the offer and move out of their UBV unit. If the family does not move out within this 30-day time frame, PHA will terminate the housing assistance payments at the expiration of this 30-day period. PHA may make exceptions to this 30-day period if needed as a reasonable accommodation or for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

23.61.3 Reasonable Accommodation Transfer

PHA will transfer households with a member that has a verifiable disability that requires an accommodation that cannot be reasonably provided in the family's existing unit. These transfers are family initiated and are voluntary on the part of the family. The family must transmit a transfer request to PHA which includes the reason for transfer and any supporting documentation. Upon verification of the need for the transfer, PHA will place the family on the transfer waiting list. Households will be selected for Reasonable Accommodations Transfers consistent with the date and time of request and hierarchy of UBV transfers.

Examples of the types of Reasonable Accommodation Transfer requests warranting a transfer may include:

- The need to be in a ground floor unit or a unit with an accessible path if a family member is unable to climb stairs;
- The need for a fully accessible unit;
- The need to be located near a required treatment facility or to be closer to transportation in order to get to a required treatment facility; and

- The need for a larger unit to accommodate a live-in aide.

23.61.4 VAWA/Other Emergency Transfers

Owners must transfer households who have requested transfers as a result of domestic violence, dating violence, stalking or sexual assault or who have a family member under an order of police protection. These transfers are family initiated and are voluntary on the part of the family. Households that make an emergency transfer request under VAWA, will have priority to receive the next available opportunity for continued tenant-based assistance. If a tenant-based voucher is unavailable, PHA will offer to allow the household to move to another UBV unit at the same site, if available, and if the household determines that the unit is safe, or to a unit at another UBV site under PHA. The household may also be offered placement on PHA's Public Housing waiting list. Households that make a request for an emergency transfer under VAWA will be provided with a list of housing opportunities in the community, not necessarily affiliated with PHA, and/or will be referred to domestic violence victim services providers at the UBV client's request. See policies at **17.8 MTW Transfers** for instances when PHA may offer public housing to voucher recipients and at **23.35 Right to a Tenant Based Voucher** for instances where PHA may offer a tenant based voucher to UBV tenants. See also PHA's Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking for UBV Households which is attached as an Appendix to this Administrative Plan.

23.62 HQS Failures

Households living in UBV units which have been in HQS failed status beyond the established thresholds for repair will be issued a TBV and the unit will be removed from the HAP contract.

The family will be given 30 days from the date of the offer to accept the offer and move out of the UBV unit. If the family does not move out within this 30-day time frame and does not have good cause for the refusal, PHA will terminate the housing assistance payments to the owner and the assistance to the family in accordance with the policies in the Administrative Plan. PHA may make exceptions to this 30-day period if needed as a reasonable accommodation or for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

23.63 Termination of Tenancy

23.63.1 Owner Termination of Tenancy

During the lease term an owner shall not terminate the tenancy of a family except for specific reasons. See **CHAPTER 20:TERMINATION OF ASSISTANCE AND TENANCY** for specific policies on owner termination of tenancy.

In the UBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for an individual, family or other non-residential rental purpose.

23.63.2 Termination for Non-Compliance with Supportive Services Requirement

If a family is living in a unit-based unit because of participation in a supportive services program (i.e., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

23.63.3 Termination for Tenant Absence from the Unit

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by PHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 183 calendar days in a calendar year for any reason.

23.64 Family Lease Termination

The family may terminate the lease at any time after the initial term. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to PHA. Once a family terminates the lease, the family will no longer be part of the HCV or UBV Program.

23.65 Shared-Housing Unit-Based Developments

23.65.1 Introduction

Except where modified by the Shared Housing policies in this section, PHA will apply applicable UBV policies to Shared Housing as stated in the Administrative Plan.

Shared Housing is a single housing unit occupied by more than one assisted person. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted person.

23.65.2 Acceptance of Proposals

PHA will accept proposals from owners that wish to provide opportunities for Unit Based Assistance in projects with Shared Housing.

23.65.3 General Requirements

The following general policies apply to Shared Housing in PHA's Unit Based Voucher Program:

- Families may only consist of one person for each bedroom in the Shared Housing unit unless the person requires a live-in aide for a reasonable accommodation.
- Project owners may consider the gender of adults, subject to all Fair Housing laws and regulations, in determining the compatibility of households under consideration for a Shared Housing unit.
- A Shared Housing unit will be considered one housing unit for the purpose of determining rent reasonableness and determining Housing Assistance Payments.
- Pro-rata portion for Shared Housing means the ratio derived by dividing the number of bedroom 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 one bedroom in a five bedroom unit, the ratio would be 1/5.
- Each assisted person will have a separate lease for their portion of the unit.
- There will be one HAP contract covering the contracted bedrooms in the Shared Housing unit.

- The Housing Assistance Payment will not be increased if a Shared Housing unit is not fully occupied. The owner may not increase an individual household's rent contribution if the unit is not fully occupied.

23.65.4 Waiting List

Generally, applicants for Shared Housing units are referred to PHA by the project owner. When referred to PHA, these families may have already been determined eligible based on the referring organizations criteria. For example, HUD-VASH Project Based must receive referrals from the Philadelphia Veterans Administration. Referred applicants will be sequenced on the waiting list by date and time of referral.
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23.65.5 Eligibility

Program Eligibility will be determined separately for each of the individual households being considered for a Shared Housing unit. Each assisted individual household must be determined eligible under the same guidelines used to qualify other PHA Unit Based applicants (i.e., meeting the definition of a Family; income eligibility limits, etc.)

Project owners will determine suitability of each of the individual households considered for Shared Housing per their Tenant Selection Plan prior to referring to PHA.

An assisted family may share a housing unit with the following people:

- Other persons who are assisted under the tenant-based housing program; and/or
- Other persons who are not assisted under the tenant-based program

23.65.6 Rent Reasonableness

The rent to Owner for each subsidized family may not exceed the pro-rata portion of the reasonable rent for the Shared Housing unit. Reasonable rent is determined in accordance with applicable UBV MTW and Non-MTW policies.

23.65.7 Utility Allowance

Owners with UBV Shared Housing contracts are responsible for payment of all utility costs for the unit.

23.65.8 Contract Rent

The Contract Rent for each subsidized family is pro-rated by dividing the total contract rent for the unit by the number of bedrooms in the unit to determine a per bedroom price.

The total bedrooms in the unit may not be less than the total bedrooms required by all persons living in the shared unit and all pro-rated rents must add up to the total contract rent.

The HAP for a family in Shared Housing is the TTP minus the gross rent for the Shared Housing unit.

Housing assistance payments will not be increased if a Shared Housing unit is not fully occupied.

As the household's rent contribution is based on its income, the owner may not increase an individual household's rent contribution if the unit is not fully occupied.

23.65.9 Vacancies

Filling a Vacancy
When one family chooses to leave the Shared Housing unit, it is the Owner's responsibility to refill the vacant portion of the unit. Neither the remaining tenants nor PHA will be required to pay the lost payment**.** Owners of Shared Housing projects are expected to fill vacancies within 30 days to avoid over-housed situations.

Payment for Move-out Month
If an assisted family moves out of the unit, the Owner may keep the housing assistance payment payable for the calendar month when the Family moves out.

Vacancy Payments
PHA will make NOT vacancy claims under the UBV program Shared Housing program.

23.65.10 HQS in Shared Housing

At initial occupancy PHA will conduct a full HQS inspection on the entire unit.

At least once every twenty four months, PHA will conduct an HQS inspection of the entire unit.

PHA will not re-inspect individual bedrooms upon turnover.

Each Shared Housing unit must comply with the following:

- The entire unit must provide adequate space and security for all residents;
- Each unit must contain private space and security for each assisted family, plus common space for shared use by the residents of the unit;
- The private space for each assisted family must contain at least one bedroom for each family;
- A zero or one-bedroom unit may not be used as a group home or for Shared Housing;
- The unit must contain a living room, dining area, kitchen, minimum of one bathroom for every four persons, one sleeping room of appropriate size for each person, and other appropriate social or recreational community space;
- A cooking stove or range and a refrigerator(s) of appropriate size in sufficient quantity for the number of occupants shall be present. The stove and refrigerator must be included with the unit and may not be provided by the tenant(s).

23.65.11 Moves

In the case of Shared Housing, a family may be permitted to move between bedrooms within the unit; however, families in Shared Housing are subject to all other PHA MTW and Non-MTW policies, as applicable. All moves to, from and within Shared Housing must be approved by PHA.

23.65.12 VASH

In such cases where a HUD-VASH family wishes to move from its UBV Shared Housing unit, at its option, PHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available. However, to ensure that all UBV units under a housing assistance payments contract remain continuously funded, the following will be implemented when a HUD-VASH family is eligible to move from its UBV unit and there is no other comparable tenant-based rental assistance to offer the family:

- If a HUD-VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, PHA may require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;

- If a HUD-VASH tenant-based voucher is still not available after that period of time, the family will be allowed to move with its HUD-VASH voucher and PHA will replace the assistance in the UBV unit with one of its regular vouchers unless PHA and owner agree to remove the unit from the HAP contract; and

- If after 180 days, a HUD-VASH tenant-based voucher does not become available and PHA does not have sufficient available funding in its HCV program to attach assistance to the UBV unit, the family may be required to remain in its UBV unit until such funding becomes available. In determining if funding is insufficient, PHA will take into consideration its available budget authority.

23.66 UBV & Applicable MTW Policies

MTW Policy

In addition to other policies described in this chapter, the following MTW initiatives apply to UBV units:

- Biennial recertification as noted in **16.3 Regular Recertification**;

- Triennial recertification as noted in **16.3 Regular Recertification**;

- Reasonable rent policy not to conduct a reasonable rent re-determination when there is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date as noted in **12.2 Required Reasonable Rent Re-Determination;**

- Interim recertification limits as noted in **16.16.1 Limits on Interim Recertification**;

- Asset income self-certification as noted in **10.17 Verification of Assets**; and

- Asset income calculation and exclusion as noted in **8.7 Asset Income**.

CHAPTER 24: RENTAL ASSISTANCE DEMONSTRATION

Under the Rental Assistance Demonstration (RAD) and with HUD's approval PHA has the authority to convert Public Housing (PH) units to the Project-Based Voucher (PBV) program. Upon conversion to PBV assistance the units and tenants will no longer be subject to the rules and regulations pertaining to PHA's PH Program, but rather the RAD PBV rules and regulations as modified by HUD in its regulations and notices related to the RAD program and as reflected in this chapter.

PHA also has the authority pursuant to the PHA's MTW status to develop and adopt modifications to the federal Project-Based Voucher program policies (See **CHAPTER 23:UNIT BASED PROGRAM**). PHA has named the modified PBV Program the Unit-Based Voucher (UBV) Program. When permitted under RAD, PHA will apply the UBV policies to the RAD units. This chapter uses the terms "PBV" and "UBV" interchangeably to refer to HUD's PBV program and/or PHA's modified UBV program.

In specific circumstances, the policies under RAD apply differently to households that reside in the PH units prior to the RAD conversion (Conversion Households) and households that move into RAD units after the RAD conversion has taken place (New Households). The policies below will distinguish between the two family types when applicable.

Except as otherwise noted in this chapter, or unless specifically prohibited by PHA's UBV program requirements described herein, PHA policies for the Tenant-Based Voucher Program and Unit-Based Voucher Program contained in this Administrative Plan also apply to the RAD program and its participants.

24.1 Project Selection and Project Ownership and Control

PHA will follow all selections and project ownership requirements set forth in HUD regulations and PIH Notice 2012-32 (HA), REV-2 and successor notices.

24.2 HAP Contract

The HAP contract does not need to list the specific units covered by the HAP contract. The requirements in 24 CFR 983.203(c) that the HAP contract provide "the location of each contract unit" and "the area of each contract unit" have been waived by HUD. Instead, the HAP contract must specify the number and type of units in the property that are designated as RAD UBV units. See **24.3.1 Floating Units**.

24.2.1 RAD Use Agreement

The project must have an initial RAD Use Agreement that will:

- Be recorded in a superior position to all liens on the property;
- Run until the conclusion of the initial term of the HAP contract, automatically renew upon extension or renewal of the HAP contract for a term that coincides with the renewal term of the HAP contract, and remain in effect even in the case of abatement or termination of the HAP contract (for the term the HAP contract would have run, absent the abatement or termination), unless HUD approves termination of the RAD Use Agreement in the case of a transfer of assistance;
- Provide that in the event that the HAP contract is removed due to breach, noncompliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below eighty percent (80%) of the area median income (AMI) at the time

of admission and rents may not exceed thirty percent (30%) of eighty percent (80%) of AMI for an appropriate size unit for the remainder of the term of the RAD Use Agreement; and

- Require compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing and all applicable site selection and neighborhood standards.

24.2.2 AHAP Waiver

For PH conversions to RAD UBV there is no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all policies related to the AHAP in the Unit-Based Voucher Program Chapter are waived. PHA and the owner will enter into a HAP contract before construction begins.

24.2.3 Vacancy Payments

Unless otherwise stated in the HAP contract, PHA will not make vacancy payments for RAD UBV units.

24.2.4 RAD UBV Initial Contract Term

The initial HAP contract term for RAD UBV will be for at least 15 years and up to 20 years upon approval of the administering voucher agency.

24.2.5 Renewal Term for RAD UBV HAP Contract

Upon expiration of the initial HAP contract and each renewal HAP contract, the HAP contract will be automatically renewed subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal.

24.3 Unit Configuration

24.3.1 Floating Units

PHA may permit RAD UBV assistance to float among unoccupied units with the same bedroom size in mixed income converting projects redeveloped with funding under Choice Neighborhoods Implementation or HOPE VI grant or, upon approval from HUD, as part of a Mixed-Finance project. A unit to which assistance is floated must be comparable in condition to the unit it is replacing (i.e., the unit must be of the same quality and amenities as the unit it is replacing). Assistance may float from a Section 504 accessible unit only to another Section 504 accessible unit that has the same bedroom size and accessibility features. Units that float are not specifically designated under the HAP contract. From the time of the initial execution of the HAP contract, the property must maintain the same number and type of RAD units, including the same number and type of Section 504 accessible units.

Floating units are subject to all of the requirements in this chapter, the PBV regulations and PHA's UBV policies, including physical inspections, rent adjustments, and income-mixing requirements.

24.3.2 Removal of Contract Units

Owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract and may not reduce the number of assisted units without HUD approval. Any HUD approval of PHA's request to reduce the number of assisted units under the HAP contract is subject to conditions that HUD may impose.

Conversions may not result in a reduction of the number of assisted units, except by a de minimis amount, defined as no more than the greater of five percent of the number of project or portfolio units under ACC immediately prior to conversion or five units. However, a unit is excluded from this de minimis threshold if any of the following apply:

- The unit has been vacant for more than 24 months at the time of RAD Application; or
- Reducing the total unit number will allow the PHA to more effectively or efficiently serve assisted households through: 1) reconfiguring apartments (e.g., converting efficiency units to one-bedroom units); or 2) facilitating social service delivery (e.g., converting a basement unit into community space).

24.3.3 Accessible Units

Federal accessibility requirements apply to all conversions including new construction, alteration, or existing facilities including Section 504 of the Rehabilitation Act of 1973 (Section 504), the Fair Housing Act (FHA), and the Americans with Disabilities Act (ADA).

When a project's rehabilitation meets the definition of a "substantial alteration" under 24 CFR Part 8.23, the project must comply with all applicable accessibility requirements under Section 504. For some projects, "other alterations," as defined in Section 504, are made over time. If other alterations, considered together, amount to an alteration of an entire dwelling unit, the entire dwelling unit shall be made accessible.

When PHA uses RAD conversion in conjunction with new construction, the project must comply with all applicable accessibility requirements for new construction. The specific requirements are set out in regulations at 24 CFR part 8, 28 CFR part 35 and 36, and 24 CFR part 100, subpart D. Information on the design and construction requirements of the Fair Housing Act that are applicable to new construction is found at www.fairhousingfirst.org. Wherever possible, PHA will use universal design principles, visibility principles, and active design guidelines in planning retrofit and new construction work. However, adherence to universal design principles will not replace compliance with the accessibility requirements of Section 504, the ADA, and the Fair Housing Act.

24.4 Contract Rent

24.4.1 Initial Contract Rent

HUD will calculate initial contracts rents for each project. HUD will calculate initial contract rents for every public housing project based on each project's subsidy under the public housing program. All RAD applications, including applications for Portfolio or Multi-Phase awards, will have initial contract rents based on their "RAD rent base year.

PHA may use MTW block grant funds to set initial contract rents, subject to applicable program caps. In such cases, PHA will use existing voucher funding to supplement rents; no additional voucher funding will be provided. PHA may exercise this flexibility to set initial contract rents when PHA has submitted applications for two or more projects. Any use of MTW block grant funds in setting initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in PIH Notice 2013-02.

24.4.2 Adjusting Contract Rent

Contract rents will be adjusted only by HUD's Operations Cost Adjustment Factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the United States Housing Act of 1937 (the "Act") and 24 CFR §§ 983.301(*Determining Rent to Owner)* and 983.302 (*Re-determination of Rent to Owner*), concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined in accordance with 24 CFR § 983.303. A HUD approved independent entity will need to perform the rent-setting and inspection functions set out in 24 CFR 983.59 for all PHA owned units.

However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract unless (1) to correct errors in calculations in accordance with HUD requirements; (2) if additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55; or (3) if a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

24.5 Tenant Rent

24.5.1 Initial Tenant Rent for Conversion Households Only

At the time of conversion, if a Conversion Household's monthly rent increases by more than the greater of 10 percent or $25 purely as a result of the RAD conversion, the rent increase will be phased in over 3 years.

Below are the requirements for the 3 year phase in period. For the purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR 5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD form 50058. If a Conversion Household was paying ceiling rent immediately prior to conversion, PHA will use the ceiling rent amount to calculate the phase-in amount for Year 1, as illustrated below.

- **Year 1**: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the standard TTP

- **Year 2**: Year 2 Annual Recertification (AR) and any Interim Recertification prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

- **Year 3**: Year 3 AR and all subsequent recertifications – Full standard TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. Note that households that require a phase-in of their tenant rent will be recertified on an annual basis until they pay the full standard TTP.

24.5.2 When TTP Exceeds Gross Rent

Under the PBV regulations, PHA may only select an occupied unit to be included under the UBV HAP contract if the unit's occupant is eligible for housing assistance payments. PHA must also remove a unit from the HAP contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the gross rent. HUD has waived both of these provisions for RAD

conversions and requires that the units for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds the gross rent.

For both New Households and Conversion Households where the TTP exceeds the gross rent, HUD has established an alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. For example, a PH family residing in a property converting under RAD has a TTP of $600 and the property has an initial contract rent of $500, with a $50 utility allowance. Following conversion, the family is still responsible for paying $600 in tenant rent and utilities. The family is still considered a participant under the program and all family obligations and protections under RAD and UBV apply to the family. Likewise, all requirements with respect to the unit, such as compliance with HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the family becomes eligible for assistance.

After the conversion, 24 CFR 983.53(d) applies, and any New Households referred to RAD UBV projects must be initially eligible for HAP payments at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, the unit must be removed from the HAP contract when no assistance has been paid for 180 days. If a unit is removed from the HAP contract due to a New Household's TTP being equal to or exceeding the gross rent and the project is fully assisted then the unit must be added back to the HAP contract after the family has vacated the property. If the project is partially assisted and a unit must be removed due to the New Household's TTP exceeding or equaling the gross rent then the owner may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207.

24.5.3 Rent Simplification

PHA will not apply the MTW authorized Rent Simplification policies from the TBV program to the RAD program with the exception of biennial and triennial recertifications, the limit on interim recertifications and the asset verification and calculation policy. Households that reside in tax credit properties will continue to be subject to annual income certifications. Conversion Household that qualify for a phase-in of their increased rent will be recertified on an annual basis until they pay the full standard TTP. See **16.3 Regular Recertification** for MTW biennial and triennial recertification policies and Asset policies for MTW asset verification and calculation.

24.5.4 Utility Allowances Schedule

Unless a waiver is requested and approved as described below, PHA will maintain a utility allowance schedule for all tenant-paid utilities in accordance with 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517. Unless PHA receives a waiver from HUD, the utility allowances that are in effect for each unit type prior to conversion shall be included in the HAP contact. The utility allowances would become effective for each family at recertification.

24.5.5 Utility Allowance Waivers

PHA may request a waiver from HUD in order to establish a site-specific utility allowance schedule. To be approved, PHA must demonstrate good cause that the utility allowance schedule used in PHA's voucher program would either create an undue cost on families because the utility allowance provided under the voucher program is too low, or discourage conservation and efficient use of HAP funds because the utility allowance provided under the voucher program would be excessive if applied to the project. For HUD to consider such a waiver, PHA must submit an analysis of utility rates for the community and consumption data of project residents in comparison to community consumption rates; and a proposed alternative methodology for calculating utility allowances on an ongoing basis.

24.6 Lease

24.6.1 Form of Lease

All owners and tenants must execute a PHA RAD lease.

24.6.2 Lease Term

PHA may adopt a one or two year lease term. Final lease term determinations will be clearly articulated in the Lease. The lease between the family and owner is renewed automatically, unless terminated by the household or owner.

24.6.3 Lease Renewal

All leases must be renewed by the owners upon lease expiration unless cause exists.

24.6.4 Tenancy Addendum

The lease will include the RAD tenancy addendum. The tenancy addendum will include, word-for-word, all provisions required by PHA.

24.6.5 Tenant Notification of Termination

The family may terminate the assisted lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate in accordance with the lease. Before providing notice to terminate the lease, a family must contact PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

24.6.6 Owner Termination of Tenancy

During the lease term an owner shall not terminate the tenancy of a family except for specific reasons. See **CHAPTER 20:TERMINATION OF ASSISTANCE AND TENANCY** for specific policies on owner termination of tenancy.

In the UBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for an individual, family or other non-residential rental purpose.

In addition to the regulations at 24 CFR § 983.257 related to owner termination of tenancy and eviction, the termination procedure for RAD conversions require that PHA provide adequate written notice of termination of the lease which shall not be less than:

- A reasonable period of time, but not to exceed 30 days:
    - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
    - In the event of any drug-related or violent criminal activity or any felony conviction;

- 14 days in the case of nonpayment of rent; and
- 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period shall apply.

24.7 Tenant Selection

24.7.1 Returning Conversion Households

Conversion Households that were relocated from their PH unit due to the RAD conversion will be permitted to return in accordance with the RAD Relocation Plan for their project. The RAD Relocation Plan will include criteria used to determine the priority for Conversion Households to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed. For example, if units come online in stages, the plan will outline how PHA will determine when each Conversion Household will return to the project. The re-occupancy policies will be compliant with related RAD requirements, such as the right-to-return policy and the "no re-screening upon conversion" policy, as described this chapter and in PIH Notice 2012-32 REV-2.

24.7.2 Site Based Waiting Lists

24 CFR 983.251 applies to the establishment and maintenance of a voucher-wide, UBV program-wide, or site-based waiting list from which households will be admitted. Owners shall maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

24.7.3 Transfer of the Site Based Waiting List

Upon conversion, PHA will transfer the current applicants for the RAD converted PH units to a site-based waiting list for the RAD UBV units only. PHA reserves the right to establish new preferences for the RAD site-based waiting list. Households on the prior waiting list will automatically be placed on the site-based waiting list for the RAD UBV units based on their original date and time of application.

For transfer of assistance RAD units, PHA will create a new waiting list for the RAD site and provide public notice on how to apply to the waiting list. PHA has the authority to establish preferences for the new RAD site-based waiting list.

Applicants on the current PH waiting list that have selected to be housed in the "first available" unit may apply to the RAD site-based waiting list, if open, but will be placed on the waiting list according to their new date and time of application.

Applicants on the current PH waiting list that have selected a PH development that has converted via RAD may choose another PH site and be placed on that waiting list with a new date and time.

24.7.4 Screening

At the time of conversion, Conversion Households are not subject to rescreening, income eligibility, or income targeting. Conversion Households will also be grandfathered for conditions that occurred prior to conversion, but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

For example, a unit with a Conversion Household that was over-income at the time of conversion would continue to be treated as an assisted unit. Once the remaining family moves out, the unit must be leased to an eligible New Household.

24.8 Housing Quality Standards

24.8.1 Inspections

HUD has waived and established an alternative requirement to 24 CFR 983.103(b) and Section 8(o)(8)(A) of the Act. All units must meet HQS before assistance can be paid on behalf of the household.

24.9 Continued Occupancy

24.9.1 Recertification

RAD tenants will be recertified according to PHA's UBV policies and schedule. Conversion Households that were relocated due to the RAD conversion will be recertified prior to lease up at the project. PHA will establish a recertification month for each project at which time all of the households will be recertified in accordance with their biennial or triennial schedule. Conversion Households that elect to have their rent increase phased-in will be recertified on an annual basis until the family pays their full standard TTP. New Households will be recertified according to their project's recertification month regardless of when they move into the project.

24.9.2 Wrong Sized Unit For Conversion Households ONLY

If a Conversion Household is in an under-occupied unit under 24 CFR 983.260 (*Overcrowded, Under-Occupied and Accessible Units)* at the time of conversion, the Conversion Household may remain in the unit until an appropriate-sized unit becomes available in the project. When an appropriate sized unit becomes available in the project, the Conversion Household living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by PHA. In order to allow the Conversion Household to remain in the under-occupied unit until the appropriate sized unit becomes available in the project, 24 CFR 983.260, has been waived by HUD.

24.9.3 Household Right to Move

Families that want to move with continued tenant-based assistance after their first year of occupancy, must contact PHA, in writing, to request continued tenant-based rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with its terms and these requirements, PHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the RAD UBV unit, PHA will give the family priority to receive the next available opportunity for continued tenant-based assistance subject to applicable waiting list requirements. If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

See also **24.6.5 Tenant Notification of Termination**.

24.9.4 Transfers for Conversion Households

Conversion Households, which are families living at PH properties at the time they were converted under RAD to Project Based Assistance, may request a transfer to another PHA PH development consistent with the RAD Transfer policies below. PHA will process RAD transfer requests in accordance with policy in the ACOP.

For all RAD Transfers, PHA will allow eligible Conversion Households the option to select up to five PH scattered site/conventional developments to which they would consider transferring.

Under any of the RAD Transfers, if the Conversion Household transfers back into a PH development, the Conversion Household will become a PH family and will subject to the PH policies and will no longer be eligible for RAD transfer preferences.

Pre-Conversion and Post-Conversion:

- **RAD 1 Transfers:** Applies to Conversion Households living in developments converted under RAD where the development has Low Income Housing Tax Credit (LIHTC) financing and the Conversion Household is not income eligible under Tax Credit guidelines. The Conversion Household will be provided with a preference to transfer to a conventional or scattered site PH development prior to and after the effective date of the conversion. The RAD 1 transfer is voluntary. The tenant may choose to live at the RAD LIHTC development if the tenant does not wish to transfer.

At Conversion:

- **RAD 2 Transfers:** Applies only to Conversion Households, at the time of conversion, who wish to remain in PH. The RAD 2 transfer is voluntary.

Post-Conversion:

- **RAD 3 Transfers:** Applies only to Conversion Households who currently live in a RAD converted PBV development. Conversion Households, who wish to move back to PH, in lieu of being provided with a Housing Choice Voucher, will be provided with a RAD 3 transfer preference. PHA will provide the preference at the close of the initial lease term and at each subsequent lease anniversary in the RAD PBV development. RAD 3 transfers are voluntary.

24.10 Additional Informal Hearing Requirements under RAD

HUD has established additional informal hearing procedures for RAD. For issues related to tenancy and termination of assistance, PBV program rules require PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555 (*Informal Hearing for Participant*). RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to households for any dispute that a tenant may have with respect to a PHA action in accordance with the individual's lease and RAD PBV requirements that adversely affect the tenant's rights, obligations, welfare, or status.

    i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the hearing officer will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).

ii. For any additional hearings required under RAD, PHA's hearing officer will perform the hearing.

b. There is no right to an informal hearing for class grievances or for disputes between tenants not involving PHA.

c. PHA must give tenants notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).

d. PHA must provide an opportunity for an informal hearing before an eviction. Hearing procedures are outlined in PHA's Section 8 Administrative Plan. See **19-3 Informal Hearings for Tenants.**

24.11 Other RAD Issues

24.11.1 Davis-Bacon

The Davis-Bacon prevailing wage requirements (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) apply to all initial repairs and new construction that are identified in a project's financing plan to the extent that such repairs or construction qualify as development. ''Development,'' as applied to work subject to Davis-Bacon requirements on Section 8 projects, encompasses work that constitutes remodeling that alters the nature or type of housing units in a UBV project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, and is initiated within 18 months of the HAP contract. Development activity does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind. Davis-Bacon requirements apply only to projects with nine or more assisted units.

24.11.2 Section 3 of the Housing and Urban Development Act of 1968 (Section 3)

Section 3 (24 CFR Part 135) applies to all initial repairs and new constructions that are identified in the project's financing plan to the extent that such repairs qualify as construction or rehabilitation. In addition, Section 3 may apply to the project after conversion based on the receipt of the use of federal financial assistance for rehabilitation activities.

24.11.3 Family Self Sufficiency (FSS) Program

PH households that are current FSS or MTW FSS participants will continue to be eligible for MTW FSS once their housing is converted under RAD, and PHA will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD.

Upon conversion to UBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

24.11.4 Tenant Participation and Funding

Tenants of PH developments converted under RAD will have the right to establish and operate a tenant organization for the purpose of addressing issues related to their living environment and be eligible for tenant participation funding.

24.11.5 Jobs Plus

Jobs Plus grantees awarded in FY 14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.

24.11.6 Future Refinancing & Insurance

Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation.

CHAPTER 25: MOD-REHAB& MOD-REHABSINGLE ROOM OCCUPANCY

25.1 Introduction

The purpose of the Mod-Rehab Program is to upgrade substandard rental housing and to provide rental subsidies for low-income families.

Moderate rehabilitation is rehabilitation involving a minimum expenditure of $1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

1. Upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance); or

2. Repair or replace major building systems or components in danger of failure.

25.2 Applicable Policies

Participants in the Section 8 Mod-Rehab and Mod-Rehab SRO Programs will be governed by all applicable terms and conditions in the non-MTW HCV Program Administrative Plan Policies, except where specific policy provisions are referenced in this Chapter.

25.3 Moderate Rehab Program

25.3.1 Eligible Properties

Units in congregate housing and group homes as well as some SROs (single room occupancy) are eligible for assistance under the Mod/Rehab Program.

The following properties are not eligible for assistance under the Mod/Rehab Program:

- Nursing homes, units within the grounds of penal, reformatory, medical, mental and similar public or private institutions, and facilities providing continual psychiatric, medical or nursing services;

- Housing owned by a State or unit of general local government; and

- High rise elevator projects for families with children may not be utilized unless HUD determines there is no practical alternative. (HUD may make this determination for a locality's Moderate Rehabilitation Program in whole or in part and need not review each building on a case-by-case basis).

- Single room occupancy (SRO) housing may not be utilized unless:

    - The property is located in an area in which there is a significant demand for such units as determined by the HUD Field Office; and

    - The PHA and the unit of general local government in which the property is located approve of such units being utilized for such purpose.

No Section 8 assistance may be provided with respect to any unit occupied by the owner of the unit; however, cooperatives will be considered as rental housing for purposes of the Moderate Rehabilitation Program.

25.3.2 Term of Housing Assistance Payments Contract

The contract for any unit rehabilitated in accordance with the program must be for a term of 15 years.

25.3.3 Term of Lease

The initial lease between the family and the owner must be for at least one year or the term of the HAP contract, whichever is shorter. In cases where there is less than one year remaining on the HAP contract, the owner and PHA may mutually agree to terminate the unit from the HAP contract instead of leasing the unit to an eligible family.

Any renewal or extension of the lease term for any unit may not extend beyond the remaining term of the HAP contract.

25.3.4 Physical Condition and Standards

- PHA will follow its Administrative Plan policies on HQS inspections for Mod/Rehab units.
- PHA will conduct annual HQS inspections of Mod/Rehab units and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services.
- PHA will also conduct complaint inspections when complaints are received and processed.
- If and when a unit fails HQS inspection, PHA will notify the owner that the unit(s) under contract are not being maintained in decent, safe and sanitary condition.
- If the owner fails to take corrective action (including corrective action with respect to the family where the condition of the unit is the fault of the family) within the time prescribed in the notice, the PHA will exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the family continues in occupancy), termination of the Contract on the affected unit(s) and termination of assistance to the family.
- PHA will conduct periodic HQS quality control audits on units on the Mod/Rehab program.

Space and Security
A dwelling unit used in the Section 8 moderate rehabilitation program that is not SRO housing must have a living room, a kitchen area, and a bathroom. Such a dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

Lead-based Paint
The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, H, and R of this title apply to the Section 8 Moderate Rehabilitation Program.

25.3.5 Other Federal Requirements

The moderate rehabilitation program is subject to applicable federal requirements in 24 CFR 5.105 and to the requirements for protection for victims of domestic violence, dating violence, or stalking in 24 CFR part 5, subpart L.

25.3.6 Initial Contract Rents

Fair Market Rent (FMR) limitation
The FMR Schedule for Moderate Rehabilitation is 120 percent of the Existing Housing FMR Schedule,

The initial Gross Rent for any Moderate Rehabilitation unit will not exceed the Moderate Rehabilitation FMR applicable to the unit on the date that the Agreement is executed except by up to 10 percent except where an exception rent applies. Subject to the limitations in the policies on Changes in Initial Contract Rents during Rehabilitation, PHA may approve changes in the Contract Rent subsequent to execution of the Agreement which result in an initial Gross Rent which exceeds the Moderate Rehabilitation FMR applicable to the unit by up to 20 percent.

Exception Rents
With HUD Field Office approval, PHA may approve initial Gross Rents which exceed the applicable Moderate Rehabilitation FMRs by up to 10 percent for all units of a given size in specified areas where HUD has determined that the rents for standard units suitable for the Existing Housing Program are more than 10 percent higher than the Existing Housing FMRs.

Determination of Initial Contract Rents

- The initial contract rent may in no event be more than:
    - The Moderate Rehabilitation FMR or exception rent applicable to the unit on the date that the Agreement is executed, minus any applicable allowance for utilities and other services attributable to the unit.
- When the initial contract rent is computed, the rent will be equal to the base rent plus the monthly cost of a rehabilitation loan. The base rent must be calculated using the rent charged for the unit or the estimated costs to the Owner of owning, managing and maintaining the rehabilitated unit.

Changes in Initial Contract Rents during Rehabilitation

- The initial contract rents will be the contract rents on the effective date of the Contract except under the following circumstances:
    - When, during rehabilitation, work items (including substantial and necessary design changes) which (A) could not reasonably have been anticipated or are necessitated by a change in local codes or ordinances, and (B) were not listed in the work write-up prepared or approved by the PHA, are subsequently required and approved by PHA.
    - When the actual cost of the rehabilitation performed is less than that estimated in the calculation of contract rents for the Agreement or the actual, certified costs are more than estimated due to unforeseen factors beyond the owner's control (e.g., strikes, weather delays or unexpected delays caused by local governments).
    - When PHA (or HUD) approves changes in financing.
    - When the actual relocation payments made by the Owner to temporarily relocated Families varies from the cost estimated in the calculation of contract rents for the Agreement.

- When necessary to correct errors in computation of the base and contract rents to comply with the HUD requirements.

25.3.7 Rent Adjustments

Annual Adjustments
The Annual Adjustment Factors which are published annually by HUD will be utilized. On or after each annual anniversary date of the Contract, the contract rents may be adjusted in accordance with HUD procedures, effective for the month following the submittal by the Owner of a revised schedule of contract rents.

The changes in rent as a result of the adjustment cannot exceed the amount established by multiplying the Annual Adjustment Factor by the base rents. However, if the amounts borrowed to finance the rehabilitation costs or to finance purchase of the property are subject to a variable rate or are otherwise renegotiable, contract rents may be adjusted in accordance with other procedures as prescribed by HUD, and specified in the Contract, provided that the adjusted contract rents cannot exceed the rents established by multiplying the Annual Adjustment Factor by the contract rents.

Overall Limitation on Contract Rent
Adjustments to rent must not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by PHA.

Special Adjustment
A special adjustment, to the extent determined by HUD, to reflect increases in the actual and necessary expenses of owning and maintaining the unit which have resulted from substantial general increases in real property taxes, assessments, utility rates and utilities not covered by regulated rates, may be recommended by PHA for approval by HUD.

Subject to appropriations, a special adjustment may also be recommended by the PHA for approval by HUD when HUD determines that a project is located in a community where drug-related criminal activity is generally prevalent, and not specific to a particular project, and the project's operating, maintenance, and capital repair expenses have substantially increased primarily as a result of the prevalence of such drug-related activity. HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.

25.3.8 Mod/Rehab Vacancies from Execution to Initial Occupancy

If a contracted unit is not leased within fifteen days of the effective date of the Contract for such unit, the Owner will be entitled to housing assistance payments in the amount of eighty percent of the contract rent for the unit for a vacancy period not exceeding sixty days from the effective date of the Contract. The owner is entitled to the vacancy claim if the owner has:

- Complied with the requirements of the Agreement concerning vacancies during rent-up;
- Taken and continues to take feasible actions to fill the vacancy; and
- Not rejected any eligible applicant except for good cause acceptable to PHA.

25.3.9 Mod/Rehab Vacancy Claims – After Initial Occupancy

- If an assisted individual moves from a Contracted Unit after initial occupancy under the Contract (other than as a result of action by the Owner which is in violation of the lease or the Contract or any applicable law), the Owner must be paid the housing assistance payment due under the Contract for the period of the month in which the individual moves from the unit as the unit remains vacant.

- If the Contract Unit continues to remain vacant, PHA will provide the Owner with a housing assistance payment in the amount of eighty percent of the contract rent prorated for a vacancy period not exceeding one additional month. If the Owner collects any of the assisted individual's portion of the rent for the additional month, PHA will reduce the payment for the Contract Unit to an amount which when added to the individual's payment, does not exceed eighty percent of the prorated contract rent. The Owner must reimburse PHA for any excess payment.

- If the Owner evicts the assisted individual, the Owner is not entitled to any payment for vacancies after rent-up unless PHA determines that the Owner complied with all the requirements of the Contract (including requirements for termination of tenancy and eviction).

- The Owner is NOT entitled to any vacancy claim payment after initial lease-up unless the Owner:

  - Immediately upon learning of the vacancy, has notified PHA of the vacancy or prospective vacancy. PHA defines immediate in this instance to be within 5 business days of learning of the vacancy or prospective vacancy

  - Has taken and continues to take all feasible actions to fill the vacancy; and

  - Has not rejected any eligible applicant, except for good cause acceptable to PHA and

  - If the owner evicts an eligible family, the owner will not be entitled to any payment unless PHA determines that the owner complied with all requirements of the Contract.

Prohibition of Double Compensation for Vacancies
The Owner will not be entitled to housing assistance payments with respect to vacant units if the Owner is entitled to payments from other sources (for example, payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the HCD Act of 1974 or payments for unpaid rent under § 882.414 (Security and Utility Deposits)).

25.3.10 Security & Utility Deposits

- At the time of initial lease-up if the Owner wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or $50. However, this amount shall not exceed the maximum amount allowable under State or local law.

- If a Family vacates the unit, the Owner, subject to State and local law, may use the security deposit as reimbursement for any unpaid Tenant Rent or other amount which the Family owes under the lease.

- If a Family vacates the unit owing no rent or other amount under the lease consistent with State or local law or if such amount is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance to the Family.

- In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. The Owner shall comply with all State and local laws regarding interest payments on security deposits.

- If the security deposit is insufficient to reimburse the Owner for the unpaid Tenant Rent or other amounts which the Family owes under the lease, or if the Owner did not collect a security deposit, the Owner may claim reimbursement from the PHA for an amount not to exceed the lesser of:
    - The amount owed the Owner, or
    - Two month's contract rent; minus, in either case, the greater of the security deposit actually collected or the amount of security deposit the Owner could have collected under the program (pursuant to paragraph (a) of this section).
    - Any reimbursement must be applied first toward any unpaid Tenant Rent due under the lease and then to any other amounts owed.
    - No reimbursement may be claimed for unpaid rent for the period after the Family vacates

25.3.11 Subcontracting of Owner Services

Any Owner may contract with any private or public entity to perform for a fee the services required by the Agreement, Contract or lease, provided that such contract may not shift any of the Owner's responsibilities or obligations.

PHA management
If the Owner and PHA wish to enter into a management contract, they may do so provided that:

- The Housing Assistance Payments Contract with respect to the housing involved is administered by another PHA, or
- Should another PHA not be available and willing to administer the Housing Assistance Payments Contract and no other management alternative exists, the HUD Field Office may authorize PHA management of units administered by PHA in accordance with specified criteria.
- Notwithstanding the provisions of regulations regarding Initial contract rents, PHA may not approve, without prior HUD approval, rents which exceed the appropriate Moderate Rehabilitation FMR for a unit for which it provides the management functions.

25.3.12 Waiting List

PHA will refer all eligible applicants on the waiting list to owners of units assisted through the Section 8 Existing Moderate Rehabilitation Program and SRO Programs. As vacancies occur, the selection of applicants to be referred to these programs will be in accordance with the provisions related to Applicant Selection in PHA's HCV Administrative Plan Policies.

25.3.13 Statement of Family Responsibility

A family who is determined eligible to participate in the Moderate Rehabilitation will be issued a Statement of Family Responsibility. Program tenants must comply with all terms and conditions of the Statement of Family Responsibility.

25.3.14 Over-Crowded & Under-Occupied Units

If PHA determines that the family either is under-utilizing or overcrowding the unit due to a change in the family composition, PHA will assist the family in locating another Moderate Rehabilitation, SRO or UBV Program unit of the appropriate size. If such a unit is not available, PHA may offer continued assistance through other programs administered by PHA. In no case will a Family be forced to move nor will housing assistance payments under the Contract be terminated unless the Family rejects without good reason the offer of a unit which PHA judges to be acceptable.

25.3.15 Termination Of Assistance

In addition to other conditions governing termination of assistance as outlined herein, assistance through the HCV program will terminate when a family voluntarily vacates a Section 8 Moderate Rehabilitation unit.

25.3.16 Adjustment of Utility Allowance

PHA will determine, at least annually, whether an adjustment is required in the Utility Allowance applicable to the dwelling units in the Program, on grounds of changes in utility rates or other change of general applicability to all units in the Program. PHA may also establish a separate schedule of allowances for each building of 20 or more assisted units, based upon at least one year's actual utility consumption data following rehabilitation under the Program. If PHA determines that an adjustment should be made in its Schedule of Allowances or if it establishes a separate schedule for a building which will change the allowance, PHA will then determine the amounts of adjustments to be made in the amount of rent to be paid by affected Families and the amount of housing assistance payments and will notify the Owners and Families accordingly. Any adjustment to the Allowance must be implemented no later than at the Family's next reexamination or at lease renewal, whichever is earlier.

25.3.17 Lease

The lease will include all provisions required by HUD, and will not include any provisions prohibited by HUD. The lease will provide that:

- Drug-related criminal activity engaged in on or near the premises by any tenant, family member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control is grounds for the owner to terminate tenancy.

- The owner may terminate the tenancy of a family when the owner determines that a family member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

- The requirements in the section on Termination of Tenancy are incorporated into the dwelling lease between the Owner and the Family.

Grounds for Termination of or Refusal to Renew the Lease
The Owner must not terminate or refuse to renew the lease except upon the following grounds:

- Serious or repeated violation of the terms and conditions of the lease;

- Violation of applicable federal, State or local law;

- Other good cause.

25.3.18 Termination of Tenancy

The Owner must serve a written notice of termination of tenancy on the Family which states the date the tenancy shall terminate. Such date must be in accordance with the following:

- When termination is based on failure to pay rent, the date of termination must be not less than five working days after the Family's receipt of the notice.

- When termination is based on serious or repeated violation of the terms and conditions of the lease or on violation of applicable federal, State or local law, the date of termination must be in accordance with State and local law.

- When termination is based on other good cause, the date of termination must be no earlier than 30 days after the notice is served on the Family.

In actions or potential actions to terminate tenancy, the Owner shall follow 24 CFR part 5, subpart L, in all cases where domestic violence, dating violence, or stalking, or criminal activity directly related to domestic violence, dating violence, or stalking is involved or claimed to be involved.

The notice of termination must:

- State the reasons for such termination with enough specificity to enable the Family to prepare a defense

- Advise the Family that if a judicial proceeding for eviction is instituted, the tenant may present a defense in that proceeding.

- Be served on the Family by sending a prepaid first class properly addressed letter (return receipt requested) to the tenant at the dwelling unit or by delivering a copy of the notice to the dwelling unit.

Substitution of State and Local Requirements
In the case of failure to pay rent, a notice of termination which is issued pursuant to State or local law or is common practice in the locality and which satisfies the notice requirements may be substituted for or run concurrently with the notice.

Eviction
All evictions must be carried out through judicial process under State and local law. “Eviction” means the dispossession of the Family from the dwelling unit pursuant to State or local court action.

25.3.19 Limitation on leasing to Ineligible Families

Owners must lease all assisted units under Contract to Eligible Families. Leasing of vacant, assisted units to ineligible tenants is a violation of the Contract and grounds for all available legal remedies, including suspension or debarment from HUD programs and reduction of the number of units under the Contract,.

Once the PHA determined that a violation exists, PHA will notify HUD of its determination and the suggested remedies. At the direction of HUD, PHA will take the appropriate action.

25.3.20 Reduction for Failure to Lease to Eligible Families

If, at any time beginning six months after the effective date of the Contract, the Owner fails for a period of six continuous months to have at least 90 percent of the assisted units leased or available for leasing by

Eligible Families (because families initially eligible have become ineligible), PHA may, on at least 30 days' notice, reduce the number of units covered by the Contract.

PHA may reduce the number of units to the number of units actually leased or available for leasing by Eligible Families plus 10 percent (rounded up). If the Owner has only one unit under Contract and if one year has elapsed since the date of the last housing assistance payment, the Contract may be terminated with the consent of the Owner.

PHA will agree to an amendment of the Contract, to provide for subsequent restoration of any reduction if:

- PHA determines that the restoration is justified by demand,
- The Owner otherwise has a record of compliance with obligations under the Contract, and
- Contract authority is available.

25.3.21 Initial Determination of Family Eligibility

PHA will receive and review applications, and determine family eligibility for participation. PHA will verify the sources and amount of the family's income and other information necessary for determining income eligibility and the amount of the assistance payments.

PHA records on applicants and Families selected to participate will be maintained so as to provide HUD with racial, gender, and ethnic data.

25.3.22 Selection of Families for Participation

When vacancies occur, PHA will refer to the Owner one or more appropriate size Families on its waiting list. PHA will select Families for participation in accordance with the provisions of the Program and in accordance with PHA's application, including any PHA requirement or preferences

PHA will select Families eligible for housing assistance payments currently residing in units that are designated for rehabilitation under the Program without requiring that these Families be placed on the waiting list.

Notwithstanding the fact that PHA may not be accepting additional applications for participation because of the length of the waiting list, PHA will not refuse to place an applicant on the waiting list if the applicant is otherwise eligible for participation and claims that he or she qualifies for a federal preference as provided in 24 CFR part 5, unless the PHA determines, on the basis of the number of applicants who are already on the waiting list and who claim a federal preference, and the anticipated number of admissions under this part, that:

- There is an adequate pool of applicants who are likely to qualify for a federal preference and
- It is unlikely that, on the basis of PHA's system for applying the federal preferences, the preference or preferences that the applicant claims, and the preferences claimed by applicants on the waiting list, the applicant would qualify for assistance before other applicants on the waiting list.

25.3.23 Owner Selection of Families

All vacant units under Contract will be rented to Eligible Families referred by PHA from its waiting list. However, if PHA is unable to refer a sufficient number of interested applicants on the waiting list to the

Owner within 30 days of the Owner's notification to PHA of a vacancy, the Owner may advertise or solicit applications from Low-Income Families and refer such Families to PHA to determine eligibility.

Since the Owner is responsible for tenant selection, the Owner may refuse any family, provided that the Owner does not unlawfully discriminate. However, the Owner must not deny program assistance or admission to an applicant based on the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

Should the Owner reject a Family, and should the Family believe that the Owner's rejection was the result of unlawful discrimination, the Family may request the assistance of PHA in resolving the issue. If the issue cannot be resolved promptly, the Family may file a complaint with HUD, and PHA may refer the Family to the next available Moderate Rehabilitation unit.

25.3.24 Denial of Assistance

PHA will follow the screening policies in this Administrative Plan to applicants to the Mod/Rehab program, including the policies related to prohibiting admission to drug criminals, sex offenders and individuals currently engaged or individuals who have engaged, in during a reasonable time prior to an admission decision, drug-related criminal activity, alcohol abuse, violent criminal activity, other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents and/or other criminal activity which may threaten the health or safety of the owner or any employee, contractor, subcontractor or agent of the owner who is involved in the owner's housing operations.

25.3.25 Briefing of Families

When a Family is initially determined to be eligible for housing assistance payments or is selected for participation in accordance with this section, PHA will provide the Family with information as to the Tenant Rent and the PHA's schedule of Utility Allowances. Each Family must also, either in group or individual sessions, be provided with a full explanation of the following:

- Family and Owner responsibilities under the lease and Contract;
- Significant aspects of the applicable State and local laws;
- Significant aspects of federal, State and local fair housing laws;
- The fact that the subsidy is tied to the unit and the Family must occupy a unit rehabilitated under the Program;
- The Family's options under the Program should the Family be required to move due to an increase or decrease in Family size; and
- The advisability and availability of blood lead level screening for children under 6 years of age and HUD's lead-based paint requirements in part 35, subparts A, B, H, and R of this title.
- For all Families to be temporarily relocated, the briefing must include a discussion of the relocation policies.

25.3.26 Continued Participation of Family when Contract is Terminated

If an Owner evicts an assisted family in violation of the Contract or otherwise breaches the Contract, and the Contract for the unit is terminated, and if the Family was not at fault and is eligible for continued

assistance, the Family may continue to receive housing assistance through the conversion of the Moderate Rehabilitation assistance to tenant-based assistance under the Section 8 Voucher program.

The Family will then be issued a voucher, and treated as any participant in the tenant-based program and will be assisted by PHA in finding a suitable unit. All tenant-based program requirements will be applicable except that the term of any housing assistance payments contract may not extend beyond the term of the initial Moderate Rehabilitation Contract.

If the Family is determined ineligible for continued assistance, the voucher will be offered to the next Family on PHA's waiting list. The unit will remain under the Moderate Rehabilitation ACC which provides for such a conversion of the units; therefore no amendment to the ACC will be necessary to convert to the Section 8 tenant-based assistance programs.

25.3.27 Ineligible Families

If a Family is determined to be ineligible in accordance with PHA's HUD-approved application, either at the application stage or after assistance has been provided on behalf of the Family, PHA shall promptly notify the Family by letter of the determination and the reasons for it and the letter shall state that the Family has the right within a reasonable time to request an informal hearing. If, after conducting such an informal hearing, PHA determines, based on a preponderance of the evidence, that the Family is ineligible, it shall notify the Family in writing.

25.3.28 Regular Reexaminations

PHA will reexamine the income and composition of all families at least once every 12 months. After consultation with the family and upon verification of the information, PHA will make appropriate adjustments in the Total Tenant Payment and determine whether the family's unit size is still appropriate.

25.3.29 Interim Reexaminations

If PHA receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, PHA will consult with the family and make any adjustments determined to be appropriate. Any change in the family's income or other circumstances that results in an adjustment in the Total Tenant Payment, Tenant Rent, and Housing Assistance Payment will be verified. PHA will follow Admin Plan policies on required and voluntary interim reexaminations.

25.3.30 Continuation of Housing Assistance Payments

A family's eligibility for Housing Assistance Payments shall continue until the Total Tenant Payment equals the Gross Rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents or other relevant circumstances during the term of the Contract. However, eligibility also may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information, including failure to meet the disclosure and verification requirements for Social Security Numbers , or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies.

25.3.31 Maintenance and Operation

The Owner must provide all the services, maintenance and utilities as agreed to under the Contract, subject to abatement of housing assistance payments or other applicable remedies if the Owner fails to meet these obligations.

25.3.32 Periodic Inspection

In addition to the inspections required prior to execution of the Contract, PHA will inspect or cause to be inspected each dwelling unit under Contract at least annually and at such other times as may be necessary to assure that the Owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services. PHA will take into account complaints and any other information coming to its attention in scheduling inspections.

Units not Decent, Safe and Sanitary
If PHA notifies the Owner that the unit(s) under Contract are not being maintained in decent, safe and sanitary condition and the Owner fails to take corrective action (including corrective action with respect to the Family where the condition of the unit is the fault of the Family) within the time prescribed in the notice, PHA may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the Family continues in occupancy), termination of the Contract on the affected unit(s) and assistance to the Family.

25.3.33 Termination of Assistance

PHA will follow its policies in this Administrative Plan regarding termination of assistance.

25.4 Mod-Rehab SRO for Homeless Individuals

The Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals (SRO) assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings. The program is authorized under McKinney-Vento Homeless Assistance Act.

Under the Section 8 Mod-Rehab SRO Program at PHA, HUD enters into Annual Contributions Contracts with PHA (PHAs), whereby HUD agrees to provide annual support to cover housing assistance payments made by PHA to participating owners.

The Philadelphia Housing Authority is responsible for providing the rental assistance for the SRO units. Additionally PHA is responsible for verifying tenant eligibility and for conducting initial inspections and annual inspections on all units to ensure compliance with HUD's Housing Quality Standards.

25.4.1 Housing Assistance Payments Contract

- *Time of execution.* Upon PHA acceptance of the unit(s) and certifications pursuant to 882.507, the Contract will be executed by the Owner and the PHA. The effective date must be no earlier than the PHA inspection which provides the basis for acceptance as specified §882.507(e).

- *Term of contract*. The contract for any unit rehabilitated in accordance with this program must be for a term of 10 years. The contract must give PHA the option to renew the contract for an additional 10 years.

- *Changes in contract rents from agreement.* The contract rents may be higher or lower than those specified in the Agreement, in accordance with §882.805(d).

- *Unleased unit(s).* At the time of execution of the Contract, the Owner will be required to submit a list of dwelling unit(s) leased and not leased as of the effective date of the Contract.

- *Contract rents at end of rehabilitation loan term.* For a contract in which the initial contract rent was based upon a loan term shorter than 10 years, the contract must provide for reduction of the contract rent effective with the rent for the month following the end of the term of the rehabilitation loan. The amount of the reduction will be the monthly cost of amortization of the rehabilitation loan. This reduction should result in a new contract rent equal to the base rent plus all subsequent adjustments.

25.4.2 Tenant Selection

- The owner will rent all vacant units under contract to homeless individuals located through PHA or owner outreach efforts and determined by the HA to be eligible.

- The owner is responsible for tenant selection and may refuse any individual, provided the owner does not unlawfully discriminate.

- If the owner rejects an individual, and the individual believes that the owner's rejection was the result of unlawful discrimination, the individual may request PHA assistance in resolving the issue and may also file a complaint with HUD's Office of Fair Housing and Equal Opportunity in accordance with 24 CFR 103.25.

- PHA will follow its informal review procedures for individuals who request PHA's assistance in resolving an issue related to an owner eligibility determination.

25.4.3 Waiting List

- PHA will refer all eligible applicants on the waiting list to owners of units assisted through the Section 8 Existing Moderate Rehabilitation Program and SRO Programs as necessary.

- As vacancies occur, the selection of applicants to be referred to these programs will be in accordance with the provisions related to Applicant Selection in PHA's HCV Administrative Plan Policies.

25.4.4 Eligibility

- Applicants are screened and referred by the owner to PHA for vacant units. Applicant screening consists of owner screening for program eligibility and suitability to the SRO environment.

- Referring agencies complete PHA's program referral form which certifies the homeless status of the applicant being referred.

- Referring agencies must have applicants complete PHA's Project Based Application and Required forms.

- PHA reviews applications sent from the referring agency and determines family eligibility for the Mod/Rehab SRO Program in accordance with HUD regulations at 24 CFR 882.514(a) and PHA's Administrative Plan screening policies including:

    - Criminal background and sex offender screening;

- Required EIV checks; and
- Debts owed to PHA.

- Homeless individuals have the first priority for occupancy of housing rehabilitated under this program.
- PHA will verify the sources and amount of the family's income and other information necessary for determining eligibility and the amount of the assistance payments. PHA's verification procedures in the Administrative Plan are used by staff when determining eligibility for the program.
- If a Family is determined to be ineligible, PHA will notify the Family by letter of the determination and the reason. The letter states that the applicant has the right within 10 days to request an informal review.

25.4.5 Briefing

- PHA conducts oral briefings for all families determined eligible for the program at the lease signing. Briefings will include the information on the following:
  - Tenant Rent
  - Utility Allowances
  - Family and Owner responsibilities under the lease and Contract;
  - Significant aspects of the applicable State and local laws;
  - Significant aspects of federal, State and local fair housing laws;
  - The fact that the subsidy is tied to the unit and the Family must occupy a unit rehabilitated under the Program;
  - The Family's options under the Program should the Family be required to move due to an increase or decrease in Family size;

25.4.6 Lease

- The lease will be provided by the Owner and signed by the owner and tenant. PHA will attach to each lease, the Section 8 Mod Rehab addendum.
- PHA staff will calculate the tenant rent and HAP Portions prior to the scheduled lease signing and forward the calculated amounts to the owner. The signed lease with the rental portions must be provided to PHA.
- The lease for the program limits the occupancy to one eligible individual.
- The initial lease between the family and the Owner will be for at least one year or the term of the HAP contract, whichever is shorter.
- In cases where there is less than one year remaining on the HAP contract, PHA may mutually agree to terminate the unit from the HAP contract instead of leasing the unit to an eligible family.

- Any renewal or extension of the lease term will in no case extend beyond the remaining term of the HAP contract.

- The lease:

  - Includes all provisions required by HUD, and does not include any provisions prohibited by HUD.

  - Includes the Section 8 Moderate/Rehab Addendum

  - Provides that drug-related criminal activity engaged in on or near the premises by any tenant, family member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control is grounds for the owner to terminate tenancy.

  - Allows the owner to terminate the tenancy of a family when the owner determines that a family member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

25.4.7 Addendum To The Lease

- The Section 8 Moderate Rehabilitation Program Addendum to the lease is signed by both the owner and tenant at PHA's office.

- In case of any conflict between the addendum and the owner lease and the addendum to the lease provisions prevail.

- The addendum to the lease must contain the following:

  - Contract rent

  - Housing Assistance Payment payable by PHA

  - Amount payable by family (tenant rent portion)

  - Utility responsibility

25.4.8 Family Responsibility

- The tenant must sign the Section 8 8 Moderate Rehabilitation Program Statement of Family Responsibility at the time of lease signing.

- Families are required to execute the Statement of Family Responsibility before occupying the unit.

- A family receiving housing assistance under this Program must fulfill all of its obligations under the lease and Statement of Family Responsibility.

- Failure of the Family to meet its responsibilities under the lease and under the Statement of Family Responsibility will constitute grounds for termination of assistance by PHA.

25.4.9 Security & Utility Deposits

- At the time of initial lease-up if the Owner wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or $50. However, this amount shall not exceed the maximum amount allowable under State or local law.

- If a Family vacates the unit, the Owner, subject to State and local law, may use the security deposit as reimbursement for any unpaid Tenant Rent or other amount which the Family owes under the lease.

- If a Family vacates the unit owing no rent or other amount under the lease consistent with State or local law or if such amount is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance to the Family.

- In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. The Owner shall comply with all State and local laws regarding interest payments on security deposits.

- If the security deposit is insufficient to reimburse the Owner for the unpaid Tenant Rent or other amounts which the Family owes under the lease, or if the Owner did not collect a security deposit, the Owner may claim reimbursement from the PHA for an amount not to exceed the lesser of:

  - The amount owed the Owner, or

  - Two month's contract rent; minus, in either case, the greater of the security deposit actually collected or the amount of security deposit the Owner could have collected under the program (pursuant to paragraph (a) of this section).

  - Any reimbursement under this section must be applied first toward any unpaid Tenant Rent due under the lease and then to any other amounts owed.

  - No reimbursement may be claimed for unpaid rent for the period after the Family vacates

25.4.10 Tenant Rent

- Section 8 SRO tenants are required to contribute 30 percent of their adjusted income to rent. The difference between this tenant contribution and the unit's actual contract rent is provided as a subsidy through the HAP contract. PHA requires a minimum rent of up to $50 per month.

25.4.11 Initial Contract Rent

- Section 882.408 on initial contract rent applies to the SRO program, including the establishment of fair market rents for SRO units at 75 percent of the O-bedroom Moderate Rehabilitation FMR. Exceptions to the initial contract rent requirements can be found at 24 CFR 882.805.

- For a contract in which the initial contract rent was based upon a loan term shorter than 10 years, the contract must provide for reduction of the contract rent effective with the rent for the month following the end of the term of the rehabilitation loan. The amount of the reduction will be the monthly cost of amortization of the rehabilitation loan. This reduction should result in a new contract rent equal to the base rent plus all subsequent adjustments.

25.4.12 Contract Rent Adjustments

- The SRO program provides for annual adjustments to the base rent to account for inflation over the 10 years of the HAP Contract. Generally, the Annual Adjustment Factor published by HUD is

used to adjust SRO contract rents. Annual adjustments should provide the owner with a sufficient rent to operate and maintain the property during the HAP Contract. Additionally, HUD may approve special adjustments to reflect the increases in the actual and necessary expenses of owning and maintaining a unit which have resulted from substantial general increases in real property taxes, utility rates, and assessments and utilities not covered by regulated rates

- HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.

- The special rent adjustments will only be approved if and to the extent the Owner clearly demonstrates that these general increases have caused increases in the owners operating costs which are not adequately compensated for by annual adjustments.

- The Owner must submit financial information to the PHA which clearly supports the increase. For Contracts of more than twenty units, the Owner must submit audited financial information.

- Adjustments to the rent must not result in material differences between the rents charged for assisted and comparable unassisted units.

25.4.13 Steps to review Moderate Rehabilitation Contracts (Mod-Rehab) for Contract Rent adjustments

1. Eligible SRO HAP contracts will have contract rents set at the lower of three analyses conducted:
   a. OCAF (Operational Cost Adjustment Factor) - existing contract rents, adjusted by an operating cost adjustment factor (OCAF); When applying the OCAF, the PHA must use the most recently published factors.

   b. 110% of FMR (minus) Utility Allowance- existing fair market rent (FMRs) (less any amounts for tenant-purchased utilities); or

   c. Rent Reasonableness test conducted by PHA- comparable market rents for the market area.

- The Executive Vice President of Leased Housing has the authority to sign Mod Rehab SRO HAP Contracts.

25.4.14 Recertifications

- PHA will conduct annual recertification of income and family composition for SRO clients according to PHA's Administrative Plan policies on recertification, income and rent calculation for Non-MTW participants. PHA does not apply MTW flexibilities to the SRO program units.

- During recertifications, PHA will verify that only one individual is occupying the unit.

- PHA will conduct interim recertifications according to its policies on interim recertifications. There is no limit to the number of interim recertifications which may be requested and processed on behalf of SRO clients.

25.4.15 Vacancy Payments

- If an Eligible Family vacates its unit (other than as a result of action by the Owner which is in violation of the lease or the Contract or any applicable law), PHA will pay the housing assistance payments due under the Contract for the portion of the month that the unit is vacant.

- Should the unit continue to remain vacant, PHA will pay housing assistance payment in the amount of 80 percent of the contract rent for a vacancy period not exceeding an additional month.

- If the Owner collects any of the Family's share of the rent for this period, the payment will be reduced to an amount which, when added to the Family's payment, does not exceed 80 percent of the contract rent. PHA will collect any such excess from the Owner.

- PHA will not make vacancy payments to the Owner unless the Owner:

  - Immediately upon learning of the vacancy, has notified the PHA of the vacancy or prospective vacancy, and

  - Has taken and continues to take all feasible actions to lease the unit.

- If the Owner evicts an Eligible Family, PHA will not make any vacancy payments unless PHA determines that the Owner complied with all requirements of the Contract.

25.4.16 Continuation Of Housing Assistance Payments

- PHA will continue to make housing assistance payments until the Total Tenant Payment equals the Gross Rent.

- The termination of eligibility at such point will not affect the family's other rights under its lease,

- PHA may resume making housing assistance payments as a result of later changes in income, rents or other relevant circumstances during the term of the Contract.

25.4.17 Supportive Services

- The rental assistance provided by PHA will not be used for supportive services. Supportive services are provided either internally by case management staff at the development or services may be contracted to an outside vendor.

- Section 8 SRO Program does not provide funding to support the social services that are offered with this type of housing. Other federal programs, public or private health or social service agencies, or other project sponsor funding may fund supportive services.

25.4.18 Reduction In The Number Of Units Covered Under The Contract

- PHA will notify the HUD Field Office and act on direction from HUD when an SRO unit is leased by the owner to an ineligible tenant.

- If, at any time beginning six months after the effective date of the Contract, the Owner fails for a period of six continuous months to have at least 90 percent of the assisted units leased or available for leasing by eligible Families, PHA may, on at least 30 days' notice, reduce the number of units covered by the Contract.

- PHA may reduce the number of units to the number of units actually leased or available for leasing by eligible Families plus 10 percent (rounded up).

- If the Owner has only one unit under Contract and if one year has elapsed since the date of the last housing assistance payment, PHA may terminate the Contract with the consent of the Owner.

- PHA amend the Contract, to provide for subsequent restoration of any reduction if:

  - PHA determines that the restoration is justified by demand,

  - The Owner otherwise has a record of compliance with obligations under the Contract, and

  - Contract authority is available.

25.4.19 Inspections

- PHA will follow its Administrative Plan policies on HQS inspections for units on the SRO program.

- PHA will conduct annual HQS inspections of SRO units and at such other times as may be necessary to assure that the Owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services.

- PHA will also conduct complaint inspections when complaints are received and processed.

- If and when a unit fails HQS inspection, PHA will notify the owner that the unit(s) under Contract are not being maintained in decent, safe and sanitary condition.

- If the Owner fails to take corrective action (including corrective action with respect to the Family where the condition of the unit is the fault of the Family) within the time prescribed in the notice, the PHA will exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the Family continues in occupancy), termination of the Contract on the affected unit(s) and termination of assistance to the Family.

- PHA will conduct periodic HQS quality control audits on units on the SRO program.

25.4.20 Termination

- PHA's Administrative Plan policies on termination of assistance are applied to participants in the SRO program. For example, eligibility may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information, including failure to meet the disclosure and verification requirements for Social Security Numbers, sex offenders or drug related criminal activity.

- If a Family is terminated after assistance has been provided, PHA will promptly notify the Family by letter of the determination and the reasons for it. The letter will state that the Family has the right within a 10 business days (specified in the letter) to request an informal hearing. PHA will follow its Administrative Plan policies on Termination and Informal Hearings.

25.4.21 Lease Termination By The Owner

- The Owner must not terminate or refuse to renew the lease except upon the following grounds:

- Serious or repeated violation of the terms and conditions of the lease.
- Violation of applicable federal, State or local law.
- Other good cause.

- The Owner will serve a written notice of termination of tenancy on the Family which states the date the tenancy shall terminate. Such date must be in accordance with the following:
  - When termination is based on failure to pay rent, the date of termination must be not less than five working days after the Family's receipt of the notice.
  - When termination is based on serious or repeated violation of the terms and conditions of the lease or on violation of applicable federal, State or local law, the date of termination must be in accordance with State and local law.
  - When termination is based on other good cause, the date of termination must be no earlier than 30 days after the notice is served on the Family.
- The notice of termination will:
  - State the reasons for such termination with enough specificity to enable the Family to prepare a defense.
  - Advise the Family that if a judicial proceeding for eviction is instituted, the tenant may present a defense in that proceeding.
  - Be served on the Family by sending a prepaid first class properly addressed letter (return receipt requested) to the tenant at the dwelling unit or by delivering a copy of the notice to the dwelling unit.
- In the case of failure to pay rent, a notice of termination which is issued pursuant to State or local law or is common practice in the locality may be substituted for or run concurrently with the notice required in the policies.
- All evictions will be carried out through judicial process under State and local law. “Eviction” means the dispossession of the Family from the dwelling unit pursuant to State or local court action.
- In actions or potential actions to terminate tenancy, the Owner shall follow 24 CFR Part 5, subpart L, in all cases where domestic violence, dating violence, or stalking, or criminal activity directly related to domestic violence, dating violence, or stalking is involved or claimed to be involved.

25.4.22 Continued Participation When The Contract Is Terminated

- If an Owner evicts an assisted family in violation of the Contract or otherwise breaches the Contract, and the Contract for the unit is terminated, if the Family was not at fault and is eligible for continued assistance, PHA will issue the family a tenant based voucher under the Section 8 Voucher Program.
- The Family will then be subject to PHA’s Section 8 Voucher Program policies and procedures. All requirements of PHA’s Tenant Based Voucher Program. The term of any housing assistance payments contract will not extend beyond the term of the initial Moderate Rehabilitation Contract.
- If the Family is determined ineligible for continued assistance, PHA will offer the voucher to the next Family on the PHA's waiting list. The unit will remain under the Moderate Rehabilitation ACC;

and no amendment to the ACC will be necessary to convert to the Section 8 tenant-based assistance programs.

25.5 MTW Provisions

The two year recertification cycle and rent simplification do not apply to clients in Mod/Rehab/SRO units

CHAPTER 26: HOMEOWNERSHIP

26.1 Homeownership Overview

PHA's Homeownership Program is operated in accordance with its Housing Choice Homeownership Plan.

The Homeownership option is used to assist families with the following types of housing:

- A home that is purchased by family members. One or more family members can hold title to the home.

- One or more family members can purchase a membership share in a Cooperative Housing Corporation.

- A family member or one or more family members can participate in a Lease-to-Purchase Program for a period not to exceed two years in order to achieve the goals that have been set forth in their Individual Action Plan. During the lease-to-purchase period, the family will be participating in the HCV Program.

26.2 Eligibility Requirements

The following Homeownership eligibility requirements will be used to determine acceptance into the HCV Homeownership Program. PHA reserves the right to limit the HCV Homeownership Program to those current clients/clients who are currently enrolled in or have completed the FSS program. New and existing HCV families, who wish to participate in the Homeownership Program must first enroll in the FSS program.

- A client/client must have completed the training courses that are required by PHA under the current program. These Program requirements are furthered discussed in the Counseling and Training section of this plan.

- The client/client's income must equal or exceed either (1) the federal minimum wage multiplied by 2000 hours or (2) for a disabled family, the current federal SSI benefit for an individual living alone multiplied by 12 (for example, if the federal SSI benefit is $579, the family must earn at least $579 x 12 = $6,948) must be met. The mortgage qualification calculation will be based on the appraised price of the house, using a family debt/income ratio not to exceed 33%, of the client/client's gross monthly income. The client/client will be pre-qualified based on current income.

- The client/client (unless the family is a disabled or elderly family) must demonstrate that one or more adult family members of the family who will own the home at commencement of homeownership are both:

    - Currently employed on a full-time basis (the term "full-time employment" means not less than an average of 30 hours per week); and

    - Has been continuously so employed during the year before commencement of homeownership assistance for the family.

- The Affordability Determination will be calculated using the family's monthly gross income, calculating 33% of that income and subtracting the estimated amounts below. The utility allowance will be included in the 50058 calculation. Once the deductions are made for the monthly costs, the amount of the 33% that remains, will be used for a first mortgage calculation.

Maintenance Reserves	$ 50.00

Insurance	$ 30.00
Real Estate Taxes	$ 75.00
Mortgage Insurance	$45.00 (if applicable)
Condo Fees	$100.00 (if applicable)

- The client/client must not have owned a home in the last three years.

- The head of household and any spouse of the head of household that has previously defaulted on a mortgage obtained through the Homeownership option are barred from receiving future HCV Homeownership assistance.

- All clients/clients must certify that neither they, nor anyone in their household, have ever committed fraud involving any federal program.

The prospective client/client must:

- Have no criminal convictions within the previous five years;

- Be current on all lease obligations for the past twelve months;

- Have an established source of continuing income that equals the minimum income requirement or more;

- Demonstrate credit worthiness (to be determined by the financial institution);

- Demonstrate ability to work toward mortgagability;

- Be willing to develop and follow a household budget;

- Agree to participate in the required training programs;

- Provide documentation verifying that the client has not owned a home in the last three years and qualifies as a first time Homebuyer; and

- Have a down payment amount to be determined, based on the financing, of the client/client's own money before the closing can be scheduled on the home. The client/client will have the option of receiving a lump sum payment to be used as a down payment or for closing costs. This payment will be calculated based on the current monthly voucher subsidy payment multiplied times twelve months (one year). If a client/client selects the lump sum payment, he/she is not eligible for monthly assistance.

26.3 First Time Home Buyer Requirement

The Homeownership option is designed to promote and support Homeownership by a "first time" Homeowner. To qualify as a "first time" Homeowner:

- The assisted family may not include any person who possessed a "present ownership interest" in the last three years (as defined at 24 CFR 982.4).

    - Such interest includes ownership of title to a home.

- The restriction to "first time" Homeowners is intended to direct Homeownership assistance to "new" Homeowners, who may be unable to purchase a home without this assistance. This rule

discourages the use of HCV subsidy on behalf of families who have achieved Homeownership independently without the benefit of the federal HCV subsidy.

- A “first time” homebuyer includes a single parent or displaced homemaker (as those terms are defined in 12 U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

26.4 Family Self Sufficiency (FSS) Requirement

Participation in the FSS Program is a mandatory requirement of the HCV Homeownership Program.

26.5 Cooperative Homeowners

Homeownership assistance may be provided to a family that “owns or is acquiring shares in a Cooperative”. The use of the HCV subsidy for Cooperative Homeowners is authorized for both the family that is a first time Cooperative Homeowner and a family that owned their Cooperative unit prior to receiving HCV assistance. Cooperative Homeowners will continue to be eligible for the tenant based assistance regardless of their status as a “first time” Homeowner.

- The client/client, who chooses the purchase of a Cooperative share, will sign an occupancy agreement.

- This occupancy agreement allows the owner of the share the right to reside in a particular apartment in the Cooperative and the right to participate in the management of the housing.

- A review of the Cooperative’s monthly charges will be completed to ensure all Homeownership costs are covered.

- The Cooperative Homeownership costs will include maintenance, taxes, insurance, etc. An affordability analysis will be completed to ensure that the monthly housing charge, and any other costs that will be above and beyond the monthly housing charge as offered by the Cooperative housing, will not exceed the family’s budgeted housing assistance.

- If the client/client chooses the Cooperative Housing Corporation as its means of Homeownership, specific classes will be developed for this type of Homeownership to be included in the mandatory Counseling and Training Programs.

26.6 Lease to Purchase Option

HCV Homeownership assistance may be provided to a family that purchases a home that the family previously occupied under a lease-to-purchase agreement, which is generally a lease with an option to purchase.

- PHA will provide HCV rental assistance for an eligible family to prepare to purchase the unit under a lease-to-purchase option. It is anticipated that the client/client may enter into a Lease-to-Purchase Program, long enough to achieve mortgagability. They can then option out of the Lease-to-Purchase Program by obtaining a mortgage to pay off the remaining amount due on the home.

- The Lease-to-Purchase Program is considered a rental program and all normal tenant based HCV rental rules are applicable.

- The HQS inspection will be completed before the family assumes occupancy, and will be completed on an annual basis, until the actual purchase is completed.

- Once the purchase process is completed, the client/client will receive a Homeownership Voucher.

- The family will be subject to the Homeownership regulatory and participation requirements at the time the family is ready to exercise the Homeownership option under the Lease-to-Purchase agreement.

- The HCV rental voucher will be "converted" to a HCV Homeownership voucher, once the Homebuyer is approved for a mortgage.

26.7 Voucher Term

In the Direct Purchase Program, the PHA Homeownership administration team will work with the HCV Department to issue the Homeownership Voucher.

See the policies in **7.7 Voucher Term, 7.8 Extension of Voucher Term**, and **7.9 Suspension of Voucher Term**.

PHA will work with the client/client to facilitate a mortgage, complete the loan process, and schedule a closing within the term of the voucher.

If the participating homebuyer does not select a home that meets program requirements within the term of the voucher, the homebuyer is bound to follow the same procedures for extension requests as are applicable for the tenant-based HCV program.

26.8 Homeownership Program Term

PHA will offer HCV homeownership assistance as follows:

- Maximum period of 15 years if the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer; or

- Ten years for mortgages with terms of less than twenty years.

The program terms do NOT apply to homeownership program clients who are elderly or disabled. In the case of an elderly family, this exception is only applied if the family qualifies as an elderly family at the commencement of homeownership assistance. In the case of a disabled family, this exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family will be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive a HCV homeownership assistance).

The maximum term for homeownership assistance applies to any member of the family who has an ownership interest in the unit during any time that homeownership payments are made, or to the spouse of any member of the family who has an ownership interest in the unit at the time homeownership payments are made.

If a family receiving homeownership assistance sells one unit and purchases another unit, the term limit applies to the total term during which the family receives assistance. The applicable limit is based on the term of the mortgage used to purchase the first unit.

26.9 Selection of a Home

The family is free to select any home of their choice located within PHA's jurisdiction.

Homes may include one-unit properties, including manufactured homes or a single dwelling unit in a cooperative or condominium. Homes may be not yet under construction, however PHA will not commence homeownership assistance until (1) the unit has passed HQS; (2) construction is completed; and (3) an environmental review has been completed pursuant to 24 C.F.R. part 50 or 58.

PHA may permit a family to use any of the following special housing types in accordance with requirements of the program: single room occupancy (SRO) housing; congregate housing; group home; Shared Housing; manufactured home when the family owns the home and leases the manufactured home space; cooperative housing; or homeownership option.

In general, PHA is not required to permit families (including families that move into the PHA program under portability procedures) to use any of these special housing types, and may limit the number of families using special housing types.

26.10 Disapproval of a Seller

In its administrative discretion, PHA may deny approval to a seller for the same reasons PHA may disapprove an owner under the regular HCV program.

26.11 HQS Requirement

Any unit purchased with HCV program homeownership assistance must meet the same initial housing quality standards that apply to units assisted under the HCV tenant-based rental assistance program. The Homeownership option does require an independent pre-purchase inspection in addition to the initial HQS inspection.

Most client/clients may choose to have additional amenities in their home above and beyond the Housing Quality Standards. The inspector must certify the inspection in accordance with the HQS minimum requirements.

The family must also hire an independent professional home inspector to inspect the home selected by the family to identify physical defects in the condition of the major building systems and components. A copy of the independent inspection report must be forwarded to PHA for inclusion in the family's records. The family and PHA will then determine if the seller should be required to complete any pre-purchase repairs. If pre-purchase repairs are required of the seller, the PHA inspector will re-inspect the home after the repairs are completed.

Once the home is included under the Homeownership Assistance Program, annual inspections are not required.

26.12 Homeownership Expenses

The HCV housing assistance will help the family meet Homeownership expenses. Homeownership expenses are defined to include the following:

- Principle and interest payments;
- Taxes;
- Mortgage Insurance;
- Homeowner's Insurance;
- Utilities,
- Maintenance expenses;
- Non-routine maintenance expenses. This amount will be reserved for future capital expenditures; and
- Other costs, to include Homeowner's Association fees, if the home is included in a Homeowner's Association or Condominium Association, if the home is a condominium.

If the client/client chooses to enter into a Cooperative housing situation, the Cooperative housing monthly payment will include the amount set aside for principle, interest, taxes, and insurance. Additional amounts for maintenance reserves and utility reserves will be set aside to complete the affordability analysis for this particular type of Homeownership.

26.13 Financing Options

The Homeownership Division will work with area lenders to secure mortgages for applicants of the Program.

The Homeownership Division will work with members of the financial institution consortium to facilitate mortgages to the applicants. In order to complete the Individual Action Plans for the clients/clients, PHA will use this standardized industry underwriting criteria to develop the Plans in accordance with the time lines. The language that refers to the development of the underwriting criteria has been discussed and approved by the actual financial institution consortium.

The Homeownership housing assistance payments will be made directly to the deposit account that is set up by the client/client. The client will make the mortgage payment directly to the bank using the PHA deposited subsidy as well as the tenant portion.

26.14 Down payment

Clients must make a minimum down payment of at least 3% of the first mortgage amount. At least 1% of the purchase price must be paid from the family's personal resources.

The client/client may participate in a Down Payment Assistance Program. Down payment in excess of the 1% can be from the client/client's own funds, assistance programs, or included as a gift, accompanied by a gift letter.

If clients/clients participate in the Family Self Sufficiency Program, the escrow could be used for the down payment and/or closing costs.

26.15 Mortgage

The majority of the mortgages will be offered through financial institutions. If the client/client is interested in seller financing through a land contract, the applicant must bring this option directly to the Homeownership Division for individual approval.

The Homeownership Division does prioritize the use of mortgage financing through an approved lender. The approved lender will issue the mortgage for a thirty-year amortization period at the best interest rate available, and will offer prepayment opportunities to the clients.

PHA will provide the financial institutions with proof of employment and proof of inclusion in the Counseling Programs, and the Family Self Sufficiency Program and/or ESS program. The client/client's involvement in the FSS program or ESS program will provide the financial institution with an opportunity to project additional earnings in the future.

The Homeownership Division will work with the family to determine the affordability of the financing product. The financing product must meet the affordability guidelines that have been set forth in the Individual Plan.

Monthly Homeownership costs cannot exceed an amount that has been determined to be affordable for the particular client/client. Homeownership expenses have been identified to include principle, interest, taxes, mortgage insurance, homeowner's insurance, utilities, routine maintenance reserve, non-routine maintenance reserve, and Condominium fees and/or Homeowner's Association fees, if applicable. If the client/client enters into a Cooperative Housing Program, the same affordability calculation will be used to identify the maximum affordability amount for the client/client.

Where a member of the family is a person with disabilities, mortgage debt incurred to finance costs for major repairs or replacements can include debt needed for modifications to make the home accessible for the person with the disability, if PHA determines that the allowance is needed as reasonable accommodation.

26.16 Refinancing

PHA will not allow clients to refinance except under the following circumstances:

- If the refinance will result in a lower monthly mortgage payment; or
- To allow the client to take out a limited amount of equity to address health and safety issues in the home.

Participants must request and gain PHA approval in writing before refinancing. PHA will not approve a refinance to allow the homeowner to take cash out.

26.17 Payment Standard

At commencement of a new Homeownership unit, the payment standard for a family is the lower of:

- The payment standard for the family unit size; or
- The payment standard for the size of the home.

If the home is located in an exception payment standard area, PHA will use the appropriate payment standard for the exception payment standard area.

After initial occupancy of the Homeownership unit, the payment standard for a family is the greater of:

- The payment standard, as determined at the commencement of homeownership assistance for occupancy of the home; or
- The payment standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

PHA will use the same payment standard schedule, payment standard amounts, and subsidy standards for the homeownership option as for the rental voucher program.

26.18 Housing Assistance Payment

The Homeownership housing assistance payment is the lower of the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

The family is responsible for the monthly Homeownership expenses not reimbursed by the housing assistance payment. The total tenant payment calculation for MTW HO vouchers will be calculated using Rent Simplification methodologies. The total tenant payment for Non-MTW HO vouchers will be calculated using HUD regulatory requirement. The client/client will be re-certified on a biennial basis during the Homeownership assistance period. As indicated in the description of the Homeownership expense, PHA will use the utility allowance schedule applicable to the HCV Rental Program to complete the client payment portion.

PHA will not issue the family a rental voucher or execute a housing assistance payment contract with an owner of a rental property on behalf of the family participating in the Homeownership option. Instead, the family and PHA will execute a statement of homeowner obligations (participation agreement).

26.19 Contract of Sale

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 provide PHA a copy of the contract of sale and the Home Inspection Addendum to the Sales Agreement executed by the Seller and Buyer. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs identified during the inspection; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. part 24.

26.20 Counseling and Training

An extremely important component of the Homeownership program is the development of the counseling and training programs. All Homeownership clients must participate in pre-purchase counseling prior to signing an Agreement of Sale. Further all homeownership clients must complete post purchase counseling

once settlement is completed. During these training programs all aspects of Homeownership are discussed with the individual client before they actually purchase the property through the program. These training sessions generally occur before the actual purchase and continue to be provided after the mortgage is completed. The training is generally geared toward first time Homebuyers and toward the market in which the Plan was developed.

A Homebuyer Club is offered to provide a forum for clients/clients who are purchasing their homes for the first time. The Club provides presentations on various subjects of interest to the first time Homebuyer.

26.21 Homebuyer Training

The Homebuyer training provides clients/clients the “nuts and bolts” information about Homeownership. The training topics cover issues such as budgeting, selecting a home, home financing, insurance, taxes, Homeownership responsibilities and credit.

During training clients/clients learn financial planning skills and develop a personal action plan. The action plan is an assessment of the client/client’s current financial condition and contains an outline of the required budgetary steps that must be taken to achieve the goal of Homeownership. Credit reports are run in order to analyze the overall credit worthiness of the client.

The Homebuyer training is required.

26.22 Homeownership Counseling

The second part of the home buyer/ownership training and counseling is the Homeownership counseling. This is an important segment since financial capacity and credit worthiness alone may not be enough for some clients/clients to be successful in Homeownership. This segment helps clients/clients overcome their fears of Homeownership by developing positive reinforcements through moral support, and incorporating the use of testimony from past clients/clients who have since become homeowners. Homeownership counseling occurs in a relaxed group setting where clients/clients describe their dream house and identify the obstacles in their lives that act as barriers to obtaining their home.

26.23 Cooperative Membership Training

Specific Cooperative membership training is offered for those voucher clients/clients who make the choice to purchase a Cooperative membership.

The purchase of the Cooperative membership is included in the Homeownership profile, as considered by the Internal Revenue Service. The voucher can be used for payment of the monthly carrying charges and for assistance with the Cooperative membership.

Specific classes above and beyond the normal Homeownership classes will be offered to the Cooperative member to familiarize the member with the requirements of Cooperative membership. These requirements will include participation of Cooperative management decisions, as well as involvement in Cooperative membership meetings.

26.24 Home Maintenance Training

Clients/clients will also be required to successfully complete home maintenance training.

Home Maintenance training is crucial, and based on the theory that “If you don’t know where the water shutoff valve, or the gas line valve, or the fuse box is, then you shouldn’t own a house!” During this training, clients learn the detailed “how-to” of home repair and maintenance through the use of classroom instruction and hands-on practical application in a physical “lab” setting.

Clients/clients can even learn the functional use of hand tools and power machinery by using them. Clients/clients gain the skills to be able to complete their own repairs. The training provides the clients the opportunity to work on carpentry, plumbing, electrical, glass, plaster, and drywall repair projects among others.

To demonstrate their proficiency in home maintenance and repair, clients/clients must pass written examinations, as well as demonstrate their competence with the tools by passing hands-on tests.

26.25 Other Training

The other training programs offered to the clients/clients who are interested in Homeownership include the following:

Financial Budgeting
Classes are held regarding the budgeting process of personal finances for the future Homebuyer. The classes include detailed training regarding the understanding of the importance of budgeting, how to budget, how to track expenses, and how to calculate how much is available to service a mortgage.

The classes use tracking forms that detail the amount of expenses, the debts that are currently outstanding, and allow the client the opportunity to plan for the changes needed in order to prepare for Homeownership. The budgeting process includes the opportunity to plan for large expenditures as well as the normal monthly expenses.

These classes may be offered in an individual setting by the training organization that is retained to complete the Homebuyer education courses or through other training institutes, financial institutions, or college affiliated courses.

Credit Counseling
Credit counseling is offered to the clients who are in need of assistance in repairing their credit reports in order to prepare for obtaining a first time homeowner mortgage.

Credit repair classes include learning how to read a credit report, and how to write a letter which will explain any derogatory credit. The client/client will also learn how to build an alternative credit file that will detail the utility bills, the cable bill, the phone bill, and any other monthly bills that are paid at a certain time each month.

The credit counseling classes may be offered by the training organization that is offering the Homebuyer training or by a credit counseling agency or individual that is a licensed credit counselor.

Conflict Resolution
Conflict resolution courses are held to help prepare clients/clients to prepare them for working within their neighborhoods to specifically learn how to work well together and to handle any resolvable issues.

Other Classes
Other classes such as parenting, crises management, landscaping, housekeeping and toolbox training may be offered on an “as requested” basis.

26.26 Agencies Used for Training

The Community Development Corporation's (CDC) that currently offer training may be consulted to develop the HO training materials and classes. The development of a relationship with a CDC will be done through a Memorandum Of Understanding (MOU). Training offered by an outside agency will be enhanced by the training provided by the Homeownership Division in the form of Homebuyer Club meetings and individual training programs. All counseling and training programs must be detailed within the individual plans.

26.27 Participation Agreement

A Participation Agreement will be signed between Philadelphia Housing Authority and the applicant. The Participation Agreement will include specific timelines and will be directly related to the Individual Action Plan that has been completed for the individual family.

The Action Plan that is completed will be included as an Exhibit to the Participation Agreement. The timelines that have been identified for mortgagability and for participation in the Program will be part of the requirements of the Participation Agreement.

The Participation Agreement will also identify the attendance requirements of Counseling and Training Programs, Homebuyer Clubs, client's meeting, and individual counseling sessions.

The Participant Agreement will include provisions to ensure that the family complies with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member.
- The family must supply required information to PHA. The family must further supply any information required by PHA concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify PHA before moving out of the home.
- The family must notify PHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.

26.28 Continued Assistance Requirement

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, PHA will not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to PHA the homeownership assistance for the month when the family moves out.

26.29 Portability

Subject to the restrictions on portability included in PHA policies, a family may exercise portability if the receiving HA is administering a voucher homeownership program and accepting new homeownership families. The receiving HA may absorb the family into its voucher program, or bill PHA.

The family must attend the briefing and counseling sessions required by the receiving HA. The receiving HA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving HA must promptly notify 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 PHA.

26.30 Moves with Continued Assistance

A family receiving homeownership assistance may move with continued rental or homeownership assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

PHA may deny permission to move to a new unit with continued rental or homeownership assistance as follows:

- Lack of funding to provide continued assistance. In such cases PHA will provide written notice to the local HUD office within 10 business days of determining it is necessary to deny a move based on insufficient funding;

- At any time, PHA may deny permission to move with continued rental or homeownership assistance in accordance with the policies herein, regarding denial or termination of assistance;

- In accordance with PHA's policy regarding number of moves within a 12-month period;

- PHA will deny the family permission to move to a new unit with continued voucher rental assistance if:

    - The family defaulted on an FHA-insured mortgage; and

    - The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

26.31 Other Homeownership Requirements

Civil Rights Laws applicable to the HCV Programs are applicable to the HCV Homeownership Program. PHA will comply with all equal opportunity and non-discrimination requirements as posed by federal law.

The "finders-keepers" rule applies to Homeownership assistance. PHA will not steer families to particular units or neighborhoods. Further, as in the Tenant Based HCV Program, PHA will provide assistance to expand housing opportunities.

PHA's briefing for Homeownership families explains where the family may lease or purchase a unit. The briefing may include the advantages of moving to an area that does not have a high concentration of low-income families, if the family is currently living in a high poverty census tract within the jurisdiction of PHA.

If the family includes any person with disabilities, PHA will take the appropriate steps to ensure that the special needs housing requirements are met to meet the disabled person's needs. PHA will also take appropriate steps to ensure effective communications during the briefing.

PHA will 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.

26.32 Denial or Termination of Assistance

At any time, PHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 C.F.R. 982.552 (Grounds for denial or termination of assistance) or 24 C.F.R. 982.553 (Crime by family members), as may be modified by the policies in this Administrative Plan.

PHA may also deny or terminate assistance for violation of client obligations in accordance with its own policy.

PHA will terminate voucher homeownership assistance for any family member 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 the such debt.

26.33 Resale Restrictions

A homeownership family may purchase another home under the HCV Assistance Program, if done within the maximum time period, provided there is no mortgage loan default through the HCV Assistance Program. The PHA Homeownership Division must be informed of the sale of the first home and the purchase of the second home. This approval will be based on the performance profile of the family during the assistance period.

Generally, the Homeownership requirements applicable to the first home purchase remain applicable to subsequent purchase. The first home will need to be sold before the second home can be purchased and included in the Homeownership Assistance Program. The family must meet the employment threshold and minimum income requirements. An independent home inspection will be conducted and PHA will determine the accessibility of and must approve the financing. On the purchase of the second home, the family will not be required to meet the first time Homebuyer requirement.

26.34 VAWA Homeownership Program Provisions

When a household member is or has been the victim of domestic violence, dating violence, sexual assault or stalking, and the household must move in order to protect the health and safety of the household, the household may continue to receive tenant-based assistance even if the household or household member has title or interest in the prior home.

If a household member is or has been the victim of domestic violence, dating violence, sexual assault or stalking, and the household must move in order to protect the health and safety of the household, PHA will not place a limit on the number of moves during any one-year period.

PHA will not continue homeownership assistance to a participant after commencing tenant-based rental assistance. If the family moves out of the home, PHA will not continue homeownership assistance after the month when the household moves out.

Once PHA has commenced tenant-based rental assistance and the participant is no longer a participant in the homeownership program, the participant's sale of the home or the participant's potential loss of the home due to foreclosure shall not affect the participant's continued participation in the HCV program. Specifically, PHA's obligation under 24 CFR 982.638(d) to terminate voucher homeownership assistance upon mortgage foreclosure only applies while the participant is still in the homeownership program, and does not apply to the termination of tenant-based rental assistance for a participant who is no longer in the homeownership program. Additionally, 24 CFR 982.625(h) requires that PHA must not recapture voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership option.

CHAPTER 27: MTW FAMILY SELF-SUFFICIENCY

27.1 Overview

Upon HUD approval, using it MTW flexibility, PHA will establish and maintain an MTW Family Self-Sufficiency (FSS) Program. Through the MTW FSS program, PHA will encourage participation and successful completion of the program while reducing the dependency of low-income families on welfare assistance and on HCV, PBV/UBV and PH assistance. PHA's MTW FSS Program will be open to eligible participants in the HCV, PBV/UBV and PH Programs. PHA may partner with an outside service provider to coordinate and manage the supportive service and contract portions of the FSS program. The service provider will work with PHA to assist families to transition away from reliance on subsidized housing. The service provider will establish and maintain linkages to agencies that will assist FSS participants to achieve goals, focused on areas such as education, credit repair, homeownership and investment in child savings accounts.

The features of PHA's MTW FSS Program include the following:

- Development and implementation of a simplified escrow calculation methodology for clients who obtain employment and/or increase employment income;
- Establishment of an incentive payment for FSS participants who complete the program and pursue homeownership or secure a non-subsidized rental unit within 2 years of graduation;
- Establishment of goal-specific incentive payments to be awarded when a family attains an established goal (i.e., completion of a GED, successful completion of a semester of college courses, etc.);
- Implementation of a lifetime cap on the amount of escrow for any family. The caps may be periodically reviewed and modified;
- Elimination of the requirement for an FSS Action Plan and minimum program size requirements and establishment of an FSS Management Committee which will establish goals, objectives and standard operating procedures for the MTW FSS program;
- Development and implementation of an MTW FSS Contract of Participation and Individual Training and Service Plan;
- Modification to the limit on voluntary interim recertifications for families in the FSS program ; and
- Completion of FSS reporting through the MTW Annual Plans and Reports using established FSS metrics.

27.2 Definitions.

- **FSS Family or Participating Family** means a family who receives assistance under the HCV program who elects to participate in the FSS program and whose designated head has signed the Contract of Participation.
- **Head of the FSS Family** means the adult member of the FSS family who is the head of family for purposes of determining income eligibility and rent.

27.3 Program Size

PHA will establish the maximum FSS program size for PH and HCV. PHA may modify this allocation based on need and participation levels.

27.4 Selection of FSS Participants

PHA will use the date the family expressed an interest in participating in FSS as the means to select and order selection of FSS participants. There are no selection preferences for participation in PHA's FSS program; however PHA may provide an FSS selection preference for families living in or willing to move to a specified project or to families participating in certain self-sufficiency programs.

27.5 Eligibility

PHA will use the following criteria to determine eligibility for participation in the MTW FSS program:

- May be a current tenant of HCV, PBV/UBV or Public Housing programs;
- Must not owe PHA money related to their participation in the HCV, PBV/UBV or Public Housing programs;
- Must be in compliance with the lease and other program requirements. Receipt of two or more proposed termination letters or late rent notices in a twelve month period will be deemed "not in compliance with program requirements";
- Must complete the specified tasks, or attend required meetings; and
- Must demonstrate interest and motivation to participate in the FSS program. Such screening will measure the family's interest and motivation, not their qualifications or ability. Examples of limited motivational screening tasks which PHA may require include:
    - Attendance at FSS orientation session or pre-selection interviews;
    - Completion of certain tasks that indicate the family's willingness to undertake the FSS contract obligations such as:
        - Contacting a job training program
        - Contacting an educational program

The head of household must be a participant in FSS before any other family members will be considered;

PHA may refuse to select a family for participation in the FSS program for a second time if that family previously participated and did not meet its FSS obligations and was terminated from the program.

27.6 FSS Contract of Participation

Prior to enrollment in the FSS Program, the family and PHA set personal achievable goals and specific interim goals as a means to measure the family's progress toward achieving economic independence. The designated head of each family participating in the FSS Program must execute an MTW FSS Contract of Participation with PHA. The initial term of the Contract is five years. The contract may be extended, in writing, and at the family's request, for up to two additional years for good cause.

The income and rent numbers inserted on the COP are taken from the last reexamination or interim before the family's participation in FSS. If it has been more than 120 days since the last reexamination or interim, PHA will conduct a new reexamination or interim re-determination.

The effective date of the COP is the first day of the month following the date the contract was signed by the family and the PHA's representative. The expiration date of the COP is five years from the effective date.

The FSS Contract includes:

- Gross Annual Income;
- The amount of earned income in the Gross annual income;
- Family Rent;
- An individual training and services plan for the family;
- Goals for employment and other activities;
- Principal terms and conditions governing FSS participation;
- Specific rights and responsibilities of the FSS family and PHA;
- Services to be provided; and
- Activities to be completed by the head of the FSS family and each adult member of the family who elects to participate in the program.

27.6.1 Extensions of the COP

The contract may be extended, in writing, and at the family's request, for up to two additional years for good cause. Good cause means circumstances beyond the control of the FSS family, as determined by PHA such as serious illness or an involuntary loss of employment. Termination of employment for nonperformance by the FSS head is not justification for a contract extension.

PHA may extend the COP to allow families to meet the interim goal of being welfare-free at least 12 consecutive months prior to the expiration of the contract.

During an extension to the contract, the family continues to have FSS amounts credited to the escrow account.

27.6.2 Changes to the Contract of Participation

The contract may be modified in the following areas, if PHA and the family mutually agree. Changes to the COP may be made to modify:

- Individual training and services plans;
- The contract term (portability and extension);
- Designation of the FSS head of the family.

27.6.3 Completion of the Contract

The family's contract will be considered completed if:

- The FSS family has fulfilled all obligations under the contract on or before the expiration of the contract term (or extension), or

- The applicable percentage of the family's monthly adjusted income equals or exceeds the FMR for the size unit for which the family qualifies (voucher size in the HCV program and actual size qualified under the occupancy standards in PH); and

- The head of household certifies that no family member is receiving federal, State or local welfare assistance.

The contract may be completed before the five years have expired. The family does not have to be free of housing assistance to have completed the contract.

27.6.4 Compliance With The Lease

The COP provides that the family must comply with the assisted lease. Therefore, non-compliance with the public housing lease, or the lease with the owner in the HCV program, may be grounds for termination of the FSS Contract of Participation. However, this only refers to FSS termination. PHA will not terminate tenancy in public housing due to FSS noncompliance. In the HCV program, if the violation of the lease is "serious or repeated," PHA may terminate program assistance.

27.6.5 Change In Family Composition

If the FSS family head leaves the family during the term of the contract, and the remaining family members want to continue participation in the FSS program, the new head of household will be designated as the FSS head. The contract will have to be revised to reflect the new head of the FSS family.

If the head of the FSS family left the family after the expiration of the Contract of Participation, the contract provides for the remaining family members to designate a family member to receive the escrow.

If any family member with an individual training and services plan leaves the assisted family during the term of the FSS contract, PHA will delete the individual training and services plan (ITSP) for that family member.

PHA will determine whether new or revised ITSPs need to be established for the family to continue its participation in the FSS program.

If the initially designated head of the FSS family or any other family member with an ITSP did not meet the obligations under the contract, the PHA may terminate the FSS contract or terminate assistance under the program.

27.6.6 Consequences Of Non-Compliance With Contract

If the family does not comply with the contract, PHA may:

- Withhold the supportive services;

- Terminate the family's participation in the FSS program, or

- Terminate HCV program assistance (unless the only basis for noncompliance is failure to become independent from welfare assistance)

If the head of the FSS family does not seek and maintain employment or never becomes employed during the contract's five-year term, the family has not met its FSS obligations.

Families may request an Informal Hearing after being notified of a corrective action by PHA.

27.6.7 Termination of FSS Contract

The FSS contract is automatically terminated if HCV or PH assistance is terminated. The contract may also be terminated by:

- Mutual consent;
- Failure of family to meet contract obligations without good cause;
- Family withdrawal from FSS program; and/or
- Other act deemed inconsistent with the purpose of the FSS program Operation of law

If PHA decides to withhold escrow, terminate FSS supportive services, terminate the FSS contract, or terminate HCV program assistance because the family failed to comply with its FSS contract, PHA will offer the family the opportunity for an informal hearing. In public housing, the family is entitled to present a grievance in accordance with the public housing grievance procedures.

The PHA is not required to terminate assistance as a consequence of not completing the obligations of the FSS Contract of Participation. Instead, the family may continue to receive assistance after termination of participation in the FSS program.

PHA will review the circumstances of the non-compliance to determine the appropriate remedy.

PHA may terminate participation in the FSS program and require forfeiture of the FSS escrow without terminating HCV program assistance.

PHA may also consider renegotiating or revising the ITSP with the family.

If a family drops out of the FSS program, or the contract expires and PHA does not choose to terminate assistance, the family would continue to receive assistance.

There is no provision to evict public housing residents if they do not meet their FSS obligations. The law only provides for a termination of HCV program assistance if an HCV FSS family fails to comply with the requirements under the Contract of Participation.

27.7 Individual Training and Services Plan (ITSP)

The MTW ITSP is a written plan that is prepared for the head of the FSS family (and each adult member of the FSS family who elects to participate) by PHA in consultation with the family member. The ITSP is part of the Contract of Participation. The ITSP includes:

- The supportive services to be provided to the family member;
- The activities to be completed by that family member;
- The agreed upon completion dates for the services and activities;

- A mandatory interim goal for families on welfare to be free of welfare assistance for at least 12 consecutive months prior to the expiration of the Contract; and

- A final goal to maintain suitable employment. Only the FSS head is required to obtain employment as a condition of completing the contract goals.

The ITSP is mandatory for the FSS head, and optional for other family members.

If the PHA offers additional incentives (besides the escrow account) they will be included in the ITSP.
Any changes to the Plan will be included as a written revision and will include the item changed, the signatures of the clients and a PHA representative, and the date of the change.

27.8 Provision Of Services

PHA is responsible to ensure that the services provided to the family are adequate. If a social service agency fails to deliver the supportive services identified in the ITSP, PHA will make a good faith effort to obtain the services from another agency. If PHA is unable to obtain the services, they will decide whether another available service would achieve the same purpose. If the unavailable services are not key to the family's ability to achieve self-sufficiency, PHA will revise the ITSP to delete the services and modify the contract accordingly. If the services are integral, PHA will declare the contract null and void.

27.9 Incentives to Participate

PHA may provide the following incentives to participate in the MTW FSS program:

- Escrow funds for clients who obtain employment and/or increase employment income and who are at or below the low income limit using a simplified escrow calculation methodology;

- Incentive payments for FSS participants who complete the program and pursue homeownership or secure a non-subsidized rental unit within 2 years of graduation;

- Goal-specific incentive payments to be awarded when a family attains an established goal (i.e., completion of a GED, successful completion of a semester of college courses, etc.).

As the family's earnings increase over time, the escrow account is credited with a portion of the amount of increased rent they pay due to increases in earned income.

- The family may withdraw funds from the escrow account for specific purposes while they are participating in the FSS program, provided they have met certain interim goals as determined by PHA.

- Upon completion of the FSS Contract of Participation, the family may receive the balance of their escrow account. Successful completion requires that the family no longer receives welfare assistance, although they may still receive housing assistance.

FSS clients may receive appropriate supportive services from various community resources. Available supportive services may include: child care; remedial, secondary and post-secondary education; job training, counseling and placement; substance abuse counseling and limited treatment referrals; training in parenting, homemaking, and money management skills; and homeownership counseling.

The family's Individual Training and Services Plan will designate which resources may be awarded to assist the family in fulfilling the terms of their FSS Contract of Participation. Individual needs of participating families are assessed by PHA staff, and when appropriate resources are available, referrals are made to other agencies that regularly provide job training programs and individualized case management. Examples of such programs are Success through Reaching Individual Development and Employment (STRIDE), Job Opportunity and Basic Skills (JOBS), and Job Training Partnership Act (JTPA) programs.

27.10 Escrow Accounts

Generally, as the family's earnings increase over time, the escrow account is credited with a portion of the amount of increased rent they pay due to increases in earned income.

The family's annual income, earned income, and family rent are inserted into the Contract of Participation at execution. These become the baseline figures for future escrow calculations. PHA will take these figures from the last recertification or interim determination before the family's initial participation in the FSS program, unless more than 120 days will pass between the effective date of the recertification and the effective date of the contract. PHA will conduct a new recertification if more than 120 days will have expired. Escrow credits are based on increase of earned income.

Other escrow account features include:

- Increases in income other than earned income do not contribute to the escrow credit.
- If additional family members are approved by PHA, their earned income is counted when computing the escrow regardless of whether they have an individual training and services plan.
- A lifetime cap of on the amount of escrow for any FSS family. The caps may be periodically reviewed and modified.
- No credits will be made to the family's FSS escrow account after the FSS family has completed the Contract of Participation or when the contract is terminated or otherwise nullified.

Earned Income is income from wages, tips, salaries, other employee compensation, military pay that is normally included in the annual income definition and any earnings from self-employment. Earned income does not include pensions, annuity payments, transfer payments, cash or in-kind benefits, or funds deposited in or accrued interest on the escrow account established by PHA or IHA on behalf of a participating family.

27.10.1 FSS Escrow Credit

PHA will determine the escrow credit for families with adjusted annual income at or below the low-income limit and who have an increase in earned income. If the family's adjusted annual income increases to more than 80% of area median income, FSS credits are no longer made.

27.10.2 Timing of the Escrow Credit Calculations

- When the family is selected for the FSS program and executes a contract of participation, PHA will enter the baseline income data into the contract.
- There will not be an escrow calculation until the family has a qualifying increase in earned income after the date of the contract.

- Thereafter, whenever PHA conducts a regular or interim recertification during the contract, PHA will also calculate the monthly escrow credit.

- PHA will follow its Administrative Plan to determine whether an interim recertification should be conducted, and when increases will go into effect.

- If the family has one or more interim recertifications during the year, the monthly escrow amount may change during the year. Otherwise, the monthly escrow credit will be the same for the entire period between annual recertifications.

- Interim recertifications resulting from increases in earned income for families in the FSS program will not count toward the limit on voluntary interim recertifications.

27.10.3 Crediting the Escrow Account

- PHA will deposit all escrowed credits into a single depository account.

- The IRS does not count the funds or interest on the funds in the escrow account as income for purposes of income taxes, either before or when the family actually receives the escrow.

- The total of the combined FSS account funds for families will be supported in PHA's accounting records by a subsidiary ledger. This ledger will show the balance applicable to each FSS family.

- PHA may either credit the account monthly, since interim adjustments may change the amount of the credit, or the FSS worksheet credit calculations may be added for the 12 month period and PHA may make one adjustment.

- If PHA finds that a family did not report income they were required to report, PHA will not credit the family's escrow account retroactively with any portion of the unreported income.

- In addition, if the family committed program fraud, it is grounds for termination from the HCV and programs, as well as the FSS program.

27.10.4 Investing the FSS Escrow Account

PHA will invest funds in the FSS account in HUD-approved investments specified in HUD Handbook 7475.1 REV. The investment income for funds in the FSS account will be prorated and credited to each family's FSS account. The credit will be based on the balance in each family's FSS account at the end of the investment income credit period.

Before applying the interest, PHA will check to see whether:

- The owner has reported that the family has not paid rent or other amounts due under the lease.

- If the family owes these amounts, PHA will reduce the balance in the account by the amount owed before prorating the interest income. This is because the contribution to the escrow account is based on the amount of Family Rent actually paid by the family, not the amount of Family Rent charged.

- PHA will not submit IRS form 1099 to FSS families with escrow account balances or who receive final disbursements. This is not required by the IRS.

27.10.5 Reporting on the FSS Escrow Account

- PHA will make a report, at least once annually, to each FSS family on the status of the family's FSS account.
- PHA may opt to provide the report at the recertification date, the HAP contract anniversary date, the end of the calendar year, or any other time selected by PHA.
- At a minimum, the report must include:
  - The balance at the beginning of the reporting period;
  - The amount of the family's rent payment that was credited to the FSS account during the reporting period;
  - Any deductions made from the account for amounts due PHA before interest is distributed;
  - The amount of interest earned on the account during the year; and
  - The total in the account at the end of the reporting period.

27.10.6 Disbursing the FSS Escrow Account

The amount in an FSS account, in excess of any amount owed to PHA by the FSS family, is paid to the head of the FSS family:

- When the Contract of Participation has been completed (even if the contract term has not expired); or
- Whenever the family's monthly adjusted income equals or exceeds the FMR for the unit size for which the family qualifies, based on PHA's occupancy standards (even if the five years is not up); and
- When, at contract completion, the head of the family certifies that, to the best of his/her knowledge and belief, no family member receives federal or State welfare assistance.

Even if the family is welfare free for 12 consecutive months before the contract expiration date, if the family has not met its other FSS obligations (obtained employment) the family is not eligible for the escrow.

An intergenerational family whose head becomes independent of welfare assistance but whose adult daughter with a child continues to receive TANF is not eligible for the escrow because ALL family members must be free of federal and State welfare assistance.

27.10.7 Use of FSS Escrow Funds

The family may use the final disbursement of escrow account funds without restriction.

An FSS family may use its FSS escrow account funds for the purchase of a home, including a home:

- Under one of HUD's homeownership programs; or
- Under other federal, State, or local homeownership programs.

Before disbursing the funds, PHA may verify that the family is no longer receiving welfare assistance by:

- Requesting copies of documents; and
- Contacting the welfare agency.

If a family receives an advance payment from their escrow account prior to completing the contract, the advance payment does not have to be repaid to PHA if they drop out of the FSS program, unless the payment was based on fraud or misinformation by the family.

PHA may, at its sole discretion, disburse a portion of the funds from the family's escrow account during the contract period for contract-related expenses if the family:

- Has fulfilled certain interim contract goals; and
- Needs a portion of the FSS account funds for purposes consistent with the contract such as:
  - School tuition (or other school costs);
  - Job training expenses;
  - Business start-up expenses; or
  - Car (when public transportation is unavailable or inaccessible to the family).

27.10.8 Forfeiting the Account

Amounts in the FSS account will be forfeited if:

- The Contract of Participation is terminated, or
- The Contract of Participation is completed but the family is receiving welfare assistance when the contract expires, including extensions.

If the head of the family dies and the remaining members of the family choose not to continue participating in the program and the contract obligations have not been met, the escrow funds would be forfeited.

If families do not pay their rents to the HCV owner, the funds may be forfeited because:

- Compliance with the applicable HCV lease is a family obligation under the contract; and
- Nonpayment of rent is grounds for terminating a family's FSS participation and forfeiture of the escrow.

FSS account funds forfeited by the family will be treated as program receipts for payment of program expenses under PHA's HCV budget.

The escrow funds may be used by PHA for HUD approved expenses such as HCV housing assistance payments.

27.11 FSS Portability

- A family participating in a HCV FSS program must lease an assisted unit within PHA's jurisdiction for 24 months after the effective date of the FSS contract.

- PHA may approve a family's request to move during this period.

- After the first 24 months, the family may move outside the jurisdiction of PHA subject to PHA policies on porting-out.

- FSS families will not be penalized in exercising their right to portability.

- PHA will not terminate a family's assistance solely because they cannot participate in the FSS program in their new location.

- If a family is subject to termination in the FSS program because of failure to meet a contract obligation, the family will not able to use a portability move to avoid the consequences. In this case, PHA may exercise its authority to terminate the family's HCV assistance.

- When an HCV FSS family moves outside of PHA's jurisdiction under portability, PHA may take one of the following actions:

    - PHA may permit the family to continue to participate in its FSS program if the family demonstrates that it can meet its FSS responsibilities in the new location, or

    - The receiving HA may allow the family to participate in its FSS program, or

    - PHA may terminate the contract in cases where the family cannot fulfill its obligations in the new location, or if the receiving HA does not allow the family to participate in its FSS program. In either of these cases, the family would forfeit the funds in the escrow account.

27.11.1 Transfer to the Receiving HA's FSS Program

- A relocating family may participate in the FSS program of the receiving HA if approved by the receiving HA.

- A PHA is not obligated to accept a relocating FSS family in its FSS program.

- If the receiving HA allows the family to participate, the receiving HA enters into a new contract with the family for the term remaining on the initial HA's FSS contract. PHA will terminate its FSS contract with the family.

- The effective date of the contract between the family and the receiving HA is the first day of the month following the date the contract was signed by the family and the PHA's representative.

- The expiration date of the contract between the receiving HA and the family MUST be the same as the expiration date of the contract between PHA and the family.

- The receiving HA must use the amounts listed for Annual Income, Earned Income, and Family Rent (TTP) on the original Contract of Participation between PHA and the family.

27.11.2 Escrow Accounts& Portability

- Regardless of whether the relocating FSS family is in the initial or receiving HA's program, there will be a single FSS account maintained by the initial HA.

- If the receiving HA absorbs the family into its voucher program, PHA will transfer the family's FSS account to the receiving HA, whether or not the receiving HA has an existing FSS program.

27.11.3 Monitoring Status for FSS Clients under Portability

- The PHA which is party to the FSS contract will be responsible for monitoring the family's FSS goal attainment, resource needs, and status. This will be PHA if the family remains in PHA's FSS program. It will be the receiving HA if the family becomes a client in the receiving HA's FSS program.

27.11.4 Termination

- The PHA that is a party to the contract and is monitoring the FSS status is responsible for determining whether the family has violated the FSS contract and whether the family's HCV assistance should be terminated, in accordance with its FSS Action Plan policies.

- Where the family is not absorbed by the receiving HA, but is participating in the receiving HA's FSS program, PHA will abide by the termination decision of the receiving HA.

- If a relocating FSS family is unable to fulfill its obligations under the FSS contract, the PHA which is party to the FSS Contract of Participation may

  - Terminate the family from the FSS program and the family's FSS account will be forfeited, and

  - Terminate the family's HCV assistance since the family failed to meet its obligations under the FSS contract.

- If the family's FSS account is forfeited, the funds in the account will revert to the PHA maintaining the FSS account for the family and will be treated as program receipts.

27.12 FSS Reporting Requirements

PHA shall submit to HUD, as part of its MTW Annual Plan and MTW Annual Report a report regarding the MTW FSS program. The report will be in the format as prescribed by HUD including baseline, benchmarks and outcomes.

CHAPTER 28: ENHANCED VOUCHERS

PHA offers tenant-based rental assistance in order to assist eligible residents that are affected by several different types of owner or HUD actions, described as “Housing Conversion Actions”. These actions include owners’ decisions to opt-out of or not renew Section 8 project-based contracts, including mod rehab contracts (opt-outs), owner pre-payment of the mortgage or voluntary termination of mortgage insurance of a preservation eligible property (preservation pre-payments), HUD enforcement actions against the owner, including termination or non-renewal of a Section 8 project-based Housing Assistance Payments contract and HUD property disposition activities.

When a Housing Conversion Action occurs, depending on the type of conversion action and subject to the availability of appropriations, eligible tenants will receive either regular voucher assistance or Enhanced Voucher assistance.

28.1 Overview of Enhanced Vouchers

Enhanced Vouchers are authorized under Section 8(t) of the U.S. Housing Act of 1937. Enhanced Vouchers are normally not provided in the case of HUD enforcement actions against an owner resulting in the termination of a Section 8 contract. In such cases, regular voucher assistance is usually applicable, particularly if the unit would not meet housing quality standards.

Enhanced Vouchers are replacement vouchers (i.e., a replacement for the previous HUD subsidy) and so do not come out of a housing authority’s regular pool of HCVs but rather from HUD. HUD provides the vouchers to the housing authority on a one-for-one replacement basis to make up for the loss of affordable housing units in the community, subject to the availability of appropriations. A voucher is considered “enhanced” only as long as the tenant who received the voucher remains in the project that was subject to the Housing Conversion Action.

If there are any vouchers remaining after PHA assists the eligible tenants of the project, PHA may use the vouchers to assist households on PHA’s regular HCV waiting list. In such a case, the voucher would be treated as a regular voucher without any enhanced features.

28.2 Individual Covered by Enhanced Voucher Provisions

A person residing in PHA’s jurisdiction is eligible for an Enhanced Voucher if, on the effective date of the Housing Conversion Action:

- The resident meets the income requirements;
- Any rent increase under the Enhanced Voucher Program is in accordance with the lease agreement and program regulations; and
- The family decides to stay in the unit located in the property that was subject to the Housing Conversion Action instead of moving.

Prior to PHA approving a family to lease a dwelling unit with Enhanced Voucher assistance, the following conditions must be met:

- The unit must be eligible;
- The unit must pass HQS;
- The lease must include the PHA tenancy addendum; and

- PHA must determine that the rent to the owner is reasonable.

28.3 Provisions of Enhanced Vouchers

The following requirements apply to Enhanced Voucher assistance. Unless otherwise described in this chapter or applicable requirements, standard PHA HCV requirements generally apply to Enhanced Vouchers.

- Enhanced Vouchers provided as a result of housing conversion actions are always tenant-based assistance. Households may move outside of PHA's jurisdiction under the portability provisions of the voucher program. However, if a family does not remain in the property that was subject to the Housing Conversion Action, the voucher will not be considered "enhanced" and will instead be governed by standard HCV program rules.

- A higher "enhanced" payment standard will be used to determine the amount of subsidy in cases where the gross rent of the unit (rent to owner plus the utility allowance for any tenant-supplied utilities) exceeds the normally applicable PHA payment standard. In such instances, the gross rent for the unit is used in the subsidy calculation instead of the normally applicable payment standard. This means that the tenant will not have to pay out of pocket if the gross rent is greater than the payment standard, as would be the case with a regular HCV. The enhanced payment standard policy will be applicable to the Enhanced Voucher so long as the tenant remains in the unit that was subject to the Housing Conversion Action.

- Notwithstanding the preceding paragraph regarding the enhanced payment standard, PHA will not approve a unit leased with an Enhanced Voucher until a determination is made that the initial rent to the owner is a reasonable rent. If PHA determines that the proposed rent is not reasonable, the landlord will have to lower the rent or the family will have to find another unit in order to benefit from the Enhanced Voucher subsidy.

- PHA maintains its authority to screen potentially eligible households or deny assistance for any grounds described in this Administrative Plan. PHA will maintain the same screening and admissions policies for households assisted with Enhanced Vouchers as it does for regular admissions of households from PHA's waiting list.

- PHA will provide a family the opportunity for an informal review it if denies the family admission to the voucher program in accordance with the HCV regulations.

- PHA will conduct its own income determination and verification for households assisted with Enhanced Vouchers. At its discretion, PHA may use the owner's most recent family income examination if (a) the owner's current certification for the tenant is no more than six months old and (b) PHA determines that the owner certifications are acceptable after reviewing a small sample for accuracy. If PHA uses the owner's certification, PHA will complete the subsequent tenant recertification within one year (or such other recertification timeframe provided in this Administrative Plan) of the date of the owner certification.

- The owner of the property is required to continue to allow the tenant holding the Enhanced Voucher to live at the property after the conversion action, as long as the units are used for rental housing and are otherwise eligible for HCV assistance in accordance with the requirements of this chapter and the Administrative Plan. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause.

- PHA will issue Enhanced Vouchers according to PHA's established subsidy standards, not the actual size of the unit the family is currently occupying. If the bedroom size of the tenant's unit

exceeds the number of bedrooms for which the tenant qualifies under the PHA subsidy standards, the tenant is considered to be over-housed.

- An over-housed family must move to an appropriate size unit in the project if one is available in order to receive Enhanced Voucher assistance. If an over-housed family refuses to move to the appropriate size unit, PHA will calculate the family's assistance payment for the oversized unit based on the normally applicable voucher subsidy formula using the applicable payment standard for the appropriate sized unit.

- If an appropriate size unit is not available in the project, for an over-housed family, PHA will execute a HAP contact on behalf of the family for the oversized unit, provided the rent is reasonable and the unit complies with all other voucher program requirements. The Enhanced Voucher subsidy calculation is based on the gross rent for the oversized unit. When an appropriately sized unit becomes available in the project, the Enhanced Voucher family residing in the oversized unit must move to the appropriate size unit in order to continue to receive Enhanced Voucher assistance. If a decrease in family size or change in family composition results in a tenant becoming over-housed, the same rules will apply.

- If a family chooses to move from the project at any time, the normal PHA HCV tenant-based program rules apply to the subsidy calculation for the new unit; the voucher will no longer be considered as "enhanced."

- PHA will provide households with search time that is reasonably required to locate housing and will grant exceptions and extensions on a case by case basis.

- PHA will use the same rent reasonable standards regardless of whether the vouchers are standard HCV vouchers or enhanced.

- PHA will not approve any temporary or short-term leases between the owner and family. The initial lease term will be for two years unless PHA determines that a shorter term would improve housing opportunities for the tenant and such shorter term is the prevailing local market practice.

- All units leased with Enhanced Vouchers must meet the HQS standards of the tenant-based HCV Program regardless of whether the family is residing in a unit that was previously assisted under a Section 8 unit-based contract. PHA will not issue any Housing Assistance Payments for any period of time prior to the date that the unit is inspected and meets HQS.

- PHA will execute the HAP contract within 60 calendar days after the beginning of the lease term

- If a family chooses to stay in a unit where a property has undergone a conversion action, the lease term will not be effective prior to the target date of the Housing Conversion Action. PHA may approve a tenancy that begins before the target date of the conversion action for a family that is moving from the property.

- PHA will maintain records of eligibility determinations for households who are income eligible for an Enhanced Voucher, but there is no HAP payment because the family's Total Tenant Payment equals or is greater than the gross rent.

- When a family moves from a project the voucher will become a regular Tenant-Based Voucher, thus the voucher will no longer be enhanced. At that time, PHA will apply the normally applicable payment standards in determining the family's Housing Assistance Payment.

- The HAP calculation for an Enhanced Voucher tenant remaining in the project will be the gross rent of the unit minus the greatest of (1) 30% of adjusted monthly income; (2) 10% of monthly income; (3) the welfare rent in as-paid states; (4) the Enhanced Voucher minimum rent; or (5) PHA's

minimum rent of $50. “Enhanced Voucher minimum rent” is the amount the family was paying on the date of the eligibility event for the project in question. This minimum rent requirement will be applied to households who remain in the project.

28.4 Conversion of Enhanced Vouchers to MTW Vouchers

PHA may convert Enhanced Vouchers to MTW Vouchers one year after the voucher is initially issued. When an Enhanced Voucher is converted to an MTW Voucher, all MTW policies apply, however, the Enhanced Voucher Payment Standard will apply for as long as the family remains in the project.

APPENDIX A: GLOSSARY OF ACRONYMS

- **ACC** Annual Contributions Contract
- **ADA** Age Discrimination Act of 1975
- **BR** Bedroom
- **CDBG** Community Development Block Grant (Program)
- **CDC** Community Development Corporation
- **C.F.R.** Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
- **CIR** Client Information Report
- **ESS** Economic Self Sufficiency
- **FEDAP** Family Economic Development Action Plan
- **FHA** Federal Housing Administration
- **FMR** Fair Market Rent
- **FR** Federal Register
- **FSS** Family Self-Sufficiency (Program)
- **FY** Fiscal Year
- **HA** Housing Authority
- **HAP** Housing Assistance Payment
- **HCV** HCV
- **HQS** Housing Quality Standards.
- **HUD** Department of Housing and Urban Development
- **IRS** Internal Revenue Service
- **ITSP** Individual Training Services & Training Plan
- **JTPA** Job Training Partnership Act
- **LEP** Limited English Proficiency
- **MOU** Memorandum of Understanding
- **MTW** Moving To Work
- **MTWFAA** Moving To Work Family Agreement Addendum
- **NCIC** National Crime Information Center
- **PB** Project Based
- **PHA** Public Housing Agency **or** Philadelphia Housing Authority
- **PIH** (HUD Office of) Public and Indian Housing
- **PS** Payment Standard
- **QC** Quality Control
- **QHWRA** Quality Housing & Work Responsibility Act of 1998 (AKA Public Housing Reform Act)

- **RAD** Rental Assistance Demonstration
- **RFP** Request For Proposals
- **RFTA** Request For Tenancy Approval
- **SHI** Special Housing Initiative
- **SRO** Single Room Occupancy
- **SSA** Social Security Administration
- **SSI** Supplemental Security Income
- **TANF** Temporary Assistance For Needy Families
- **TTP** Total Tenant Payment
- **UA** Utility Allowance
- **UBV** Unit-Based Voucher Program
- **USCIS** United States Citizenship and Immigration Services
- **VAWA** Violence Against Women Reauthorization Act of 2013

APPENDIX B: GLOSSARY OF SUBSIDIZED HOUSING TERMS

- **Absorption:** In portability (under subpart H of this part 982): the point at which a receiving HA starts making assistance payments with funding under its consolidated ACC, rather than billing the initial HA
- **Accessible:** The facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps.
- **Adjusted Income:** Annual income, less allowable HUD/MTW deductions.
- **Adjusted Annual Income:** Same as Adjusted Income.
- **Administrative Fee:** Fee paid by HUD to the PHA for administration of the program. See §982.152.
- **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. See §982.155. Administrative fee reserves from FY 2004 and 2005 funding are further restricted to activities related to the provision of tenant-based rental assistance authorized under Section 8.
- **Administrative Plan:** The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by PHA's board and included as a supporting document to the PHA Plan. See §982.54.
- **Admission:** The point when the family becomes a client in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.
- **Affiliated Individual**: With respect to an individual, as a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis, or an individual who has guardianship over another individual who is not a minor, or any individual, tenant or lawful occupant living in the household of that individual.
- **Annual Contributions Contract (ACC):** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.
- **Annual Income:** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.
- **Applicant (applicant family):**A family that has applied for admission to a program but is not yet a client in the program.
- **Area Exception Rent:** An amount that exceeds the published FMR. See §982.504(b).
- **Assets:** (See Net Family Assets.)
- **Budget Authority:** An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.
- **Child:** A member of the family other than the family head or spouse who is under 18 years of age.
- **Child Care Expenses:** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.
- **Citizen:** A citizen or national of the United States.

- **Co-head:** An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.
- **Consent Form:** Any consent form approved by HUD to be signed by assistance applicants and clients to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.
- **Congregate Housing:** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see §982.606 to §982.609.
- **Continuously Assisted:** An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.
- **Contract:** (See Housing Assistance Payments Contract.)
- **Cooperative** (term includes mutual housing): Housing owned by a nonprofit corporation or association, where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: see §982.619.
- **Covered Families:** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.
- **Dating Violence:** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
    - The length of the relationship;
    - The type of relationship; and
    - The frequency of interaction between the persons involved in the relationship
- **Dependent:** A dependent is a family member who is either under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides.
- **Disability Assistance Expenses:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
- **Disabled Family:** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
- **Disabled Person:** See Person with Disabilities.
- **Displaced Family:** A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.
- **Domestic Violence:** Felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the

jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

- **Domicile:** The legal residence of the household head or spouse as determined in accordance with State and local law.
- **Drug-Related Criminal Activity:** As defined in 42 U.S.C. 1437f(f)(5).
- **Drug Trafficking:** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).
- **Economic Self-Sufficiency Program:** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. This includes 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 client to work (such as treatment for drug abuse or mental health treatment).This includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).
- **Employer Identification Number (EIN):** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.
- **Evidence of Citizenship or Eligible Status:** The documents which must be submitted to evidence citizenship or eligible immigration status.
- **Extremely Low Income Family:** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes.
- **Facility:** All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.
- **Fair Housing Act:** means Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988
- **Fair Market Rent (FMR):** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 C.F.R. part 888.
- **Family:** Includes but is not limited to the following, and can be further defined in PHA policy:
    - A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
    - An elderly family;
    - A displaced family;
    - The remaining member of a tenant family; or
    - A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.
- **Family Rent to Owner:** In the voucher program, the portion of rent to owner paid by the family.
- **Family Self-Sufficiency Program (**FSS program): The program established by PHA to promote self-sufficiency of assisted families, including the coordination of supportive services.
- **Family Share:** The portion of rent and utilities paid by the family.
- **Family Unit Size:** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

- **Federal Agency:** A department of the executive branch of the federal Government.
- **Foster Child Care Payment:** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.
- **Full-Time Student:** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended).
- **Funding Increment:** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.
- **Gross Rent:** The sum of the rent to owner plus any utility allowance.
- **Group Home:** A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). A special housing type.
- **Handicap:** Any condition or characteristic that renders a person an individual with handicaps.
- **Handicap Assistance Expense:** See "Disability Assistance Expense."
- **HAP Contract:** Housing assistance payments contract. (Contract). A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.
- **Head of Household:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.
- **Housing Assistance Payment:** The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.
- **Housing Agency (HA):** A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing.)
- **Housing Quality Standards:** The HUD minimum quality standards for housing assisted under the voucher program.
- **HUD:** The Department of Housing and Urban Development.
- **Imputed Asset:** Asset disposed of for less than Fair Market Value during two years preceding examination or recertification.
- **Imputed Asset Income:** PHA passbook rate multiplied by the total cash value of assets. Calculation used when net family assets exceed $5,000 (non-MTW policy).
- **Imputed Welfare Income:** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.
- **Income:** Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.
- **Income For Eligibility:** Annual Income.
- **Income Information:** means information relating to an individual's income, including:
    - All employment income information known to current or previous employers or other income sources
    - All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the

name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law

  - Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
  - Unearned IRS income and self-employment, wages and retirement income
  - Wage, social security, and supplemental security income data obtained from the Social Security Administration.

- **Individual with Handicaps:** Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment.
- **Initial HA:** In portability, the term refers to both: (1) A housing authority that originally selected a family that later decides to move out of the jurisdiction of that housing authority; and (2) A housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.
- **Initial Payment Standard:** The payment standard at the beginning of the HAP contract term.
- **Initial Rent to Owner:** The rent to owner at the beginning of the HAP contract term.
- **Jurisdiction:** The area in which the PHA has authority under State and local law to administer the program.
- **Landlord:** Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.
- **Lease:** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.
- **Live-In Aide:** A person who resides with one or more elderly persons or persons, or persons with disabilities, and who:
  - Is determined to be essential to the care and well-being of the persons;
  - Is not obligated for the support of the persons; and
  - Would not be living in the unit except to provide the necessary supportive services.
- **Local Preference:** A preference used by the PHA to select among applicant families.
- **Low Income Family:** A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.
- **Manufactured Home:** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type: see §982.620 and §982.621.
- **Medical Expenses:** Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.
- **Merger Date:** October 1, 1999.
- **Minor.** A member of the family household other than the family head or spouse, who is under 18 years of age.
- **Mixed Family:** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

- **Monthly Adjusted Income:** One twelfth of adjusted income.
- **Monthly Income:** One twelfth of annual income.
- **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.
- **Net Family Assets:** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
    - In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
    - In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or recertification, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.
- **Non-citizen:** A person who is neither a citizen nor national of the United States.
- **Notice of Funding Availability (NOFA):**For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.
- **Owner:** Any person or entity with the legal right to lease or sublease a unit to a client.
- **PHA Plan:** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.
- **PHA's quality control sample:** An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements.
- **Participant** (client family): A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a client on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).
- **Payment Standard:** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).
- **Persons with Disabilities:** A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means and "individual with handicaps" as defined in 24 C.F.R. 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes). See "Individual with handicaps"
- **Portability:** Renting a dwelling unit with Section 8 housing choice voucher outside the jurisdiction of the initial HA.

- **Premises:** The building or complex in which the dwelling unit is located, including common areas and grounds.
- **Project Owner:** The person or entity that owns the housing project containing the assisted dwelling unit.
- **Public Assistance:** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.
- **Public Housing Agency (PHA):** Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.
- **Reasonable Rent:** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.
- **Receiving HA:** In portability: A housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving HA issues a voucher and provides program assistance to the family.
- **Recertification:** Sometimes called recertification. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.
- **Remaining Member of Tenant Family:** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).
- **Rent to Owner:** The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.
- **Responsible Entity:** For the public housing and the Section 8 tenant-based assistance, project-based certificate assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.
- **Section 8:** Section 8 of the United States Housing Act of 1937.
- **Section 8 Covered Programs:** All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under section 202 of the Housing Act of 1959.
- **Section 214:**Section 214 of the Housing and Community Development Act of 1980, as amended
- **Section 214 Covered Programs:** is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in §5.500.
- **Security Deposit:** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.
- **Sexual Assault**: Any nonconsensualsexualactproscribedbyFederal,tribal,orStatelaw,includingwhen the victim lacks capacity to consent.
- **Shared Housing:** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see §982.615 to §982.618.
- **Single Person:** A person living alone or intending to live alone.
- **Single Room Occupancy Housing (SRO):**A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see §982.602 to §982.605.

- **Social Security Number (SSN):** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.
- **Special Admission:** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.
- **Special Housing Types:** See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, Shared Housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).
- **Spouse:** The marriage partner of the head of household.
- **Stalking:** Engaging in a course of conduct directed at a specific person causing a reasonable person to fear for his or her safety or others or suffer substantial emotional distress.
- **State Wage Information Collection Agency (SWICA):** The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.
- **Subsidy Standards:** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.
- **Suspension:** This practice is also called “tolling”. The term on the family’s voucher stops from the date that the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied.
- **Tenancy Addendum:** For the HCV Program, the lease language required by HUD in the lease between the tenant and the owner.
- **Tenant:** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.
- **Tenant Rent to Owner:** See “Family rent to owner”.
- **Term of Lease:** The amount of time a tenant agrees in writing to live in a dwelling unit.
- **Total Tenant Payment (TTP):** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.
- **Unit:** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.
- **Utility Allowance:** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.
- **Utility Reimbursement:** In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.
- **Vacancy Loss Payments:**(Applies only to pre-10/2/95 HAP Contracts in the Rental Certificate Program). When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the contract rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.
- **Very Low Income Family:** A low-income family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

- **Violent Criminal Activity:** means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.
- **Voucher** (HCV): A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.
- **Voucher Holder:** A family holding a voucher with an unexpired term (search time).
- **Voucher Program:** The housing choice voucher program.
- **Waiting List Admission:** An admission from the PHA waiting list.
- **Welfare Assistance:** Income assistance from federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. FOR THE FSS PROGRAM (984.103(b)), "welfare assistance" includes only cash maintenance payments from federal or State programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.
- **Welfare-To-Work (WTW) family:** A family assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

APPENDIX C: TABLE OF SELECTED SCREENING ELEMENTS

Screening Element	Mandatory Denial	Mitigating Circumstances: Mandatory Denial	Non-Mandatory Denial	Mitigating Circumstances: Discretionary Denial
Criminal Background	• Drug related criminal activity – methamphetamine • Homicide	• Removal of culpable household member	• All other criminal offenses as categorized on the "Chart of Offenses" where the minimum time frame has not expired	• Participation in Mayor's RISE PREP Program • Seriousness of offense • Effect of denial of other family members not involved • Extent of participation of other family members-domestic violence • Recent history of behavior and likelihood of favorable conduct • Evidence of work history or history of community volunteer work • Satisfactory completion of probation. • Participation in applicable social service/rehab programs • Removal of culpable household member
Sex Offender Screening	• Lifetime sex offender registration requirement	• Removal of culpable household member	• N/A	• N/A
Debt Screening	• Owes current debt to PHA or another PHA • Owes current debt to an owner under a HAP contract • Breached repayment agreement terms to PHA or another PHA • Has a judgment against them for debt to PHA, another PHA or an owner (related to the HCV program)	• Seriousness of offense • Effect of denial on other family members not involved • Extent of participation of other family members • Length of time since offense and recent history • Participation in applicable social service/rehab programs • Circumstances which led to the creation of the debt, i.e. death of a household member, economy-related layoff.	• N/A	• N/A

Screening Element	Mandatory Denial	Mitigating Circumstances: Mandatory Denial	Non-Mandatory Denial	Mitigating Circumstances: Discretionary Denial
		• Current financial circumstances. • The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking. • The length of time since the debt was incurred, the family's recent history and the likelihood of favorable conduct in the future. • Removal of the culpable household member		
Past or Current Behavior	• Eviction from Fed. Housing within the last 3 years for drug related criminal activity • Currently engaged in illegal drugs or current pattern of alcohol abuse which will threaten enjoyment by other tenants	• Seriousness of offense • Effect of denial on other family members not involved • Extent of participation of other family members • Length of time since offense and recent history • Participation in applicable social service/rehab programs • Evidence of work history or history of community volunteer work	• Failure to provide documents or signatures • Failure to provide true and complete info • Prior evictions from Fed. Housing within the last five years • Commission of fraud or bribery in connection with Fed. Housing • Engaged in or threatened violent or abusive behavior to PHA personnel	• Seriousness of offense • Effect of denial on other family members not involved • Extent of participation of other family members • Length of time since offense and recent history • Circumstances that led to eviction no longer exist • Evidence of work history or history of community volunteer work • Participation in applicable social service/rehab programs • Removal of the culpable household member

Screening Element	Mandatory Denial	Mitigating Circumstances: Mandatory Denial	Non-Mandatory Denial	Mitigating Circumstances: Discretionary Denial
		• Circumstances that led to eviction no longer exist • Removal of the culpable household member		

APPENDIX D: CHART OF OFFENSES – DENIAL OF ADMISSION

CRIMINAL BACKGROUND SCREENING
CRITERIA FOR Public Housing and HCV Admission

OFFENSE	Felony Conviction (Years)	Other Conviction (Years)
Crimes Against Persons		
Assault-Related Offenses General Definition: An unlawful attack by one person upon another.	10	3
Family-Related Offenses, Nonviolent General Definition: Unlawful, non-violent acts by a family member (or legal guardian) that threatens the physical, mental, or economic well-being morals of another family member that are not classifiable as other offenses, such as Assault, Incest and Statutory Rape etc.	5	3
Homicide-Related Offenses General Definition: The killing of one human being by another. • 1st Degree Murder • Vehicular Homicide, 2nd or 3rd degree manslaughter	 20 10	
Kidnapping/Abduction-Related Offenses General Definition: The unlawful seizure, transportation, and/or detention of a person against his/her will or of a minor without the consent of his/her custodial parent(s) or legal guardian.	10	3
Sex-Related Offenses, Forcible General Definition: Any sexual act directed against another person, forcibly and/or against that person's will, or not forcibly or against the person's will in instances where the victim is incapable of giving consent. (See below for lifetime sex offender registration requirements.)	10	3
Sex-Related Offenses, Non-forcible General Definition: Unlawful, non-forcible sexual intercourse, excluding prostitution offenses.	5	3
All Other Person-Related Offenses General Definition: Any offense committed against another person which causes harm to a person which does not meet specific categories previously outlined as person-related offenses.	5	3
Crimes Against Property		
Arson-Related Offenses General Definition: To unlawfully and intentionally damage or attempt to damage any real or personal property by fire or incendiary device.	10	3
Burglary/Breaking And Entering-Related Offenses General Definition: The unlawful entry into a building or other structure with the intent to commit a felony or a theft.	5	3
Motor Vehicle Theft-Related Offenses General Definition: The theft of a motor vehicle	3	
Counterfeiting/Forgery-Related Offenses General Definition: The altering, copying, or imitation of something, without authority or right, with the intent to deceive or defraud by passing the copy or thing altered or imitated as that which is original or genuine or the selling, buying, or possession of an altered, copied, or imitated thing with the intent to deceive or defraud.	5	3
Embezzlement/Bribery-Related Offenses	5	3

OFFENSE	Felony Conviction (Years)	Other Conviction (Years)
General Definition: The unlawful misappropriation by an offender to his/her own use or purpose of money, property, or some other thing of value entrusted to his/her care, custody, or control.		
Extortion/Blackmail-Related Offenses General Definition: To unlawfully obtain money, property or any other thing of value, either tangible or intangible, through the use or threat of force, misuse of authority, threat of criminal prosecution, threat of destruction of reputation or social standing or through other coercive means.	10	3
Fraud-Related Offenses General Definition: The intentional perversion of the truth for the purpose of inducing another person or other entity in reliance upon it to part with something of value or to surrender a legal right, excluding Counterfeiting/Forgery and Bad Check offenses.	5	3
Robbery-Related Offenses General Definition: The taking or attempting to take anything of value under confrontational circumstances from the control, custody, or care of another person by force or threat of force or violence and/or by putting the victim in fear of immediate harm.	10	3
Stolen Property-Related Offenses General Definition: Receiving, buying, selling, possessing, concealing, or transporting any property with the knowledge that it has been unlawfully taken, as by Burglary, Embezzlement, Fraud, Larceny, Robbery, etc.	5	3
Larceny/Theft-Related Offenses General Definition: The unlawful taking, carrying, leading, or riding away of property from the possession or constructive possession of another person.	5	3
Destruction / Damage / Vandalism Of Property Offenses General Definition: To willfully or maliciously destroy, damage, deface, or otherwise injure real or personal property without the consent of the owner or the person having the custody or control of it, excluding arson offenses.	5	3
All Other Property-Related Offenses General Definition: Any offenses that cause property or monetary damage to another that do not fit into specific categories previously outlined as property-related offenses.	5	3
Crimes Against Society		
Purposely Obstructs, Impairs Or Perverts The Law General Definition: A person who purposely obstructs, impairs or perverts the administration of law or discharge of government duties or the carrying out of other governmental functions.	5	3
Disorderly Conduct-Related Offenses General Definition: Any behavior that tends to disturb the public peace or decorum, scandalize the community, or shock the public sense of morality.		3
Drug/Narcotic-Related Offenses General Definition: The violation of laws prohibiting the product, distribution, and/or use of certain controlled substances and the equipment or devices utilized in their preparation and/or use, excluding DUI offenses.	10	3

OFFENSE	Felony Conviction (Years)	Other Conviction (Years)
Drunkenness-Related Offenses General Definition: To drink alcoholic beverages to the extent that one's mental faculties and physical coordination are substantially impaired, excluding DUI offenses.	3	3
Driving Under The Influence-Related Offenses General Definition: Driving or operating a motor vehicle or common carrier while mentally or physically impaired as the result of consuming an alcoholic beverage or using a drug or narcotic.	3	3
Liquor Law-Related Offenses General Definition: The violation of laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession, or use of alcoholic beverages, excluding DUI and drunkenness offenses.	3	3
Manufacturing Methamphetamine in Federally Assisted Housing* General definition: Conviction for drug-related criminal activity for the production or manufacture of methamphetamine on the premises of Federally-assisted housing.	Lifetime ban	Lifetime ban
Pornography/Obscene Material-Related Offenses General Definition: The violation of laws or ordinances prohibiting the manufacture, publishing, sale, purchase, or possession of sexually explicit material, e.g. literature or photographs.	5	3
Prostitution-Related Offenses General Definition: To unlawfully engage in or promote sexual activities for profit.	3	3
Lifetime Sex Offender Registrant* General Definition: Identification of a lifetime registration requirement for the applicant as a registered sex offender in one or more jurisdictions covered by the search. (Note that requirements for registration vary by locale and may require the individual to actively register themselves by law in some states. Some states prohibit discrimination on the basis of lifetime registration as a sex offender.).	Lifetime ban	Lifetime ban
Trespass of Real Property-Related Offenses General Definition: To unlawfully enter land, a dwelling, or other real property.	3	3
Weapons Law-Related Offenses General Definition: The violation of laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession, concealment, or use of firearms, cutting instruments, explosives, incendiary devices, or other deadly weapons.	10	3
Drug/Narcotic-Related Offenses: Manufacture or Distribution Indicated General Definition: The violation of laws prohibiting the production, distribution, or trafficking of certain controlled substances and the equipment or devices utilized in their preparation and/or use. <u>Offenses contained in this category specifically indicate manufacture or distribution.</u>	10	3

* Unless a person can demonstrate that his/her record is incorrect (e.g., the person was never convicted of the manufacture of methamphetamine or is not subject to lifetime registration requirements, as applicable), mitigating factors will not be considered for a person whose records indicate this offense. A household with a member whose record indicates an offense with an asterisk ("*") may only be admitted to the HCV program if the member whose record indicates the offense is no longer a member of the household.

APPENDIX E: CHART OF OFFENSES - TERMINATION

CRIMINAL BACKGROUND SCREENING
CRITERIA FOR HCV TERMINATION

OFFENSE	Previous # of Years to Review
Crimes Against Persons	
Felony Aggravated Assault	10
Family-Related Offenses, Nonviolent Endangering the Welfare of a Child - Felony Bigamy Incest	10
Homicide-Related Offenses General Definition: The killing of one human being by another. • 1st Degree Murder • Vehicular Homicide, 2nd or 3rd degree manslaughter	 20 10
Kidnap	10
Sex-Related Offenses Rape Deviate Sexual Intercourse Aggravated Sexual Assault Statutory Rape, Felony	10
Robbery-Related Offenses General Definition: The taking or attempting to take anything of value under confrontational circumstances from the control, custody, or care of another person by force or threat of force or violence and/or by putting the victim in fear of immediate harm.	10
Crimes Against Property	
Arson General Definition: To unlawfully and intentionally damage or attempt to damage any real or personal property by fire or incendiary device.	10
Burglary/Breaking And Entering-Related Offenses General Definition: The unlawful entry into a building or other structure with the intent to commit a felony or a theft.	10
Destruction / Damage / Vandalism Of Property Offenses General Definition: To willfully or maliciously destroy, damage, deface, or otherwise injure real or personal property without the consent of the owner or the person having the custody or control of it, excluding arson offenses.	5

Crimes Against Society	
Felony Drug/Narcotic-Related Offenses General Definition: The violation of laws prohibiting the product, distribution, and/or use of certain controlled substances and the equipment or devices utilized in their preparation and/or use, excluding DUI offenses.	10
Misdemeanor Drug/Narcotic-Related Offenses	
Manufacturing Methamphetamine in Federally Assisted Housing* General definition: Conviction for drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally-assisted housing.	Lifetime Ban
Lifetime Sex Offender Registrant* General Definition: Identification of a lifetime registration requirement for the applicant as a registered sex offender in one or more jurisdictions covered by the search. (Note that requirements for registration vary by locale and may require the individual to actively register themselves by law in some states. Some states prohibit discrimination on the basis of registration as a sex offender.).	Lifetime Ban
Weapons Law-Related Offenses General Definition: The violation of laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession, concealment, or use of firearms, cutting instruments, explosives, incendiary devices, or other deadly weapons.	10

* Unless a person can demonstrate that his/her record is incorrect (e.g., the person was never convicted of the manufacture of methamphetamine or is not subject to lifetime registration requirements, as applicable), mitigating factors will not be considered for a person whose records indicate this offense. A household with a member whose record indicates an offense with an asterisk (“*”) may only be admitted to the HCV program if the member whose record indicates the offense is no longer a member of the household.

APPENDIX F: FEDERALLY MANDATED INCOME EXCLUSIONS

77 FEDERAL REGISTER 43347: Published May 20, 2014

HUD's regulations provide for HUD to periodically publish in the Federal Register a notice that lists amounts specifically excluded by any federal statute from consideration as income for purposes of determining eligibility or benefits in a HUD program.

1. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b));
2. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f)(1), 5058);
3. Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
4. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
5. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
6. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6);
7. The first $2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission;
8. Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);
9. Payments received from programs funded under title V of the Older Americans Act of 1965 (42 U.S.C. 3056g);
10. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in In Re Agent Orange Liability Litigation, M.D.L. No. 381 (E.D.N.Y.);
11. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728);
12. 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);
13. Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l));
14. 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);
15. Allowances, earnings and payments to AmeriCorps clients under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

16. Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802- 05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821).
17. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c));
18. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2));
19. Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);
20. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));
21. Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. Sec. 1437a(b)(4));
22. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.) and administered by the Office of Native American Programs;
23. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);
24. Any amounts in an ``individual development account'' as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4));
25. Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 ``Exclusion from Income of Payments under Recent Tribal Trust Settlements'' (25 U.S.C. 117b(a)); and
26. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).

APPENDIX G: HQS OWNER CERTIFICATION ITEMS

PHA will verify repair of certain non-emergency HQS failure items that the owner is responsible to correct through certifications signed by the owner and tenant. PHA reserves the right to require re-inspection or to accept self-certification for HQS failure items that are the owner's responsibility to repair. The following is a list of HQS deficiencies for which PHA will accept owner and tenant certification of repair.

1. Replacement of a missing drain cap
2. Unclogging of an exterior drain
3. Bed Bug Extermination: Certification must be accompanied by a receipt from a licensed exterminator
4. Replacement of missing light bulbs
5. Providing/replacing a refrigerator
6. Replacement of a tie or lock on electrical box
7. Removal of garbage/debris

APPENDIX H: VERIFICATION REQUIREMENTS FOR EMERGENCY MOVES

Reason for Move	Criteria	Verification
Housing Quality Standards or other Owner Breach	• PHA initiated – PHA terminates the HAP contract due to owner's breach • PHA initiated – household is in violation of space standards (i.e. family member added due to birth, adoption or court-awarded custody) and has been issued a voucher to find a new unit	• Documentation regarding owner breach of the HAP contract and subsequent notice to terminate the HAP contract. • Receipt of the Request to Transfer – HAP Termination Form from the inspections department and notice to terminate HAP letter. Failed inspection, failed re-inspection reports/notices should be attached. • If a unit's HAP has been abated for 60 days, and the unit continues to fail to meet HQS requirements or the HQS violations constitute an imminent danger to the tenant or family, PHA may terminate the HAP contract and issue the tenant a voucher to move to another unit. • Upon approval of HAP termination due to HQS repairs, the Inspections Department Administrative Assistant will forward this request form to Continued Occupancy. • For violations of HQS space standards, verification includes the approved family composition and a copy of the max space standards to verify the violation of these standards.

Owner Termination of Tenancy	• Owner terminates tenancy after the initial lease term for reasons other than tenant non-compliance with lease.	• Notice to vacate from Owner
		
		• Outside of program non-compliance by the tenant, an owner may terminate the lease for "other good cause" including:
		
		  ○ Owner desire to utilize the unit for personal or family use or for a purpose other than residential rental after the first year of the lease
		
		  ○ A business or economic reason for termination of the tenancy, such as sale of the property,

Reason for Move	Criteria	Verification
		renovation of the unit, desire to rent the unit at a higher rental, after the first year of the lease.
Eviction	• Owner evicts client due to lease compliance issue	• Client Eviction Notice. ○ If the client cannot provide an Eviction Notice, see guidance at the end of this document to obtain verification of the eviction action from the City's website. • Copy of owner Notice to Vacate to the tenant • The emergency transfer process cannot be held up if a client is being evicted. Proceed with the emergency transfer if the eviction has not yet been determined. • Termination letters cannot be sent or acted upon until the outcome of the eviction process is known.
Personal Safety	• PHA must verify that remaining in the client's current unit/location is a threat to the household member's safety. • Verification should indicate the relationship between any incidents of violence and the ongoing safety threat. • The verification should indicate that a move elsewhere would resolve the safety threat. •	Tenants may provide one of the following to demonstrate the need for a VAWA transfer. • A certification form approved by PHA that states that the applicant or tenant is a victim of domestic violence, dating violence, stalking, or sexual assault, that the incident of domestic violence, dating violence, stalking, or sexual assault is grounds for VAWA protections and that includes the name of the individual who committed the domestic violence, dating violence, sexual assault or stalking, if the name is known and safe to provide; or, • A completed HUD Form 5382 VAWA Certification Form that describes how the assistance termination relates to the acts of violence defined in this chapter; or, • A Federal, State, tribal, territorial, local police record, court record or administrative agency record; or, • Documentation signed by the applicant or tenant AND an employee or representative of a victim services provider, or social services provider, or an attorney,

Reason for Move	Criteria	Verification
		school personnel, or medical professional, from whom the victim has sought assistance as a result of the abuse, in which the professional attests under penalty of perjury that the applicant or tenant believes that the incident/abuse is grounds for protection under VAWA.
Reasonable Accommodation	• PHA must verify that a household member must move as a reasonable accommodation for a person with a disability. • The verification does not need to include the specific medical condition; however, it must state that a reasonable accommodation is needed for an individual with disabilities and that the RA requires the client to move. The verification should clearly identify how the client's need to move relates to the tenant's disability. • When applicable, the verification should include the address of a medical facility or care provider to verify the need for the move to have these services more readily accessible.	• Applicant/tenant should complete a request for a reasonable accommodation. • Send a copy of the Request for RA Form and the written third party form entitled "Verification of Need for a Reasonable Accommodation" to the third party verifier. • Conduct oral verification if the third party verifier does not respond. • A doctor's note from the applicant/tenant verifying that the tenant and/or household member must relocate for medical purposes. • Self-Certification is not acceptable

APPENDIX I: VERIFICATION REQUIREMENTS FOR MTW PORT-OUTS

Reason for Move	Criteria	Verification
Employment	• PHA must verify that a household member is employed or has accepted employment outside of PHA's jurisdiction. • For accepted employment, the start date must be within 60 days from the date of the request to port out. • PHA must verify that the household member will be working at a facility located in the jurisdiction of the housing authority to which the family wishes to move.	• Employment letter stating that a family member is employed or has accepted employment at a facility within the receiving housing authority's jurisdiction. Letter should include hire date. • Paystub dated within the past 60 days with the household member's name and the employer's address within the new jurisdiction. • If resident/applicant is unable provide paystubs or a letter from the employer, send third party verification form to the employer. • Conduct oral verification if written third party request is not returned. • Self-certification is only acceptable for self-employment
Education	• PHA must verify that an **adult** household member has been accepted to *and* enrolled in an academic program outside of PHA's jurisdiction. Acceptance into an academic program does not alone qualify a tenant for a portability move, as it does not ensure that the client actually intends to enroll in the program. • Anticipated enrollment must be by the second semester following the date of the port-out request. For example, if the port-out request is made in **May 2016, anticipated enrollment must be by January 2017 (Sept 2016 = 1 semester and January 2017= 2nd semester)** • PHA must verify that the academic institution is within the jurisdiction of the housing authority to which the family wishes to move.	• Original letter from the academic institution stating that a household member is enrolled at the academic institution. • If the Adult household member is not yet enrolled in courses, he or she may provide a letter of acceptance along with verification that he or she has placed a deposit to enroll along with the anticipated start date • If the client/applicant is unable to provide documents, send third party verification form to the academic institution. • Conduct oral verification if written third party request is not returned. • Self-certification is not acceptable.

Reason for Move	Criteria	Verification
Safety	• PHA must verify that remaining in PHA's jurisdiction is a threat to the household member's safety. • Verification should indicate the relationship between any incidents of violence and the ongoing safety threat. • The verification should indicate that a move elsewhere in PHA's jurisdiction would not resolve the safety threat. • Residents/applicants who provide a verified safety need do not need verify why they are moving to a particular jurisdiction.	• Participant must complete HUD Form 50066, and provide one of the following: ○ A federal, State, tribal or territorial or local police or court record; or ○ Documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, or stalking, or the effects of abuse, in which the professional attests under penalty of perjury under 28 U.S.C. 1746 to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, or stalking has signed or attested to the documentation.

Reason for Move	Criteria	Verification
VAWA	• A household member or affiliated individual is a victim of domestic violence, dating violence, sexual assault, and/or stalking under VAWA. • The household member or affiliated individual reasonably believes that they are in danger of imminent harm from further violence if they remain in their current unit. • The household member or affiliated individual expressly requests the transfer. • The household member or affiliated individual submits documentation confirming that they are a victim of domestic violence, dating violence, sexual assault and/or stalking.	• A certification form approved by PHA that states that the applicant or tenant is a victim of domestic violence, dating violence, stalking, or sexual assault, that the incident of domestic violence, dating violence, stalking, or sexual assault is grounds for VAWA protections and that includes the name of the individual who committed the domestic violence, dating violence, sexual assault or stalking, if the name is known and safe to provide; or, • A completed HUD Form 5382 VAWA Certification Form that describes how the assistance termination relates to the acts of violence defined in this chapter; or, • A Federal, State, tribal, territorial, local police record, court record or administrative agency record; or, • Documentation signed by the applicant or tenant AND an employee or representative of a victim services provider, or social services provider, or an attorney, school personnel, or medical professional, from whom the victim has sought assistance as a result of the abuse, in which the professional attests under penalty of perjury that the applicant or tenant believes that the incident/abuse is grounds for protection under VAWA.

Reason for Move	Criteria	Verification
Medical/Disability	• PHA must verify that a household member must move for medical purposes. • The verification does not need to include the specific medical condition; however, it must state that a medical condition exists and requires the client to move. The verification should clearly identify how the client's need to move relates to the tenant's medical condition. • When applicable, the verification should include the address of a medical facility or care provider within the receiving HA's jurisdiction.	• Applicant/tenant should complete a request for a reasonable accommodation. • Send the applicant/resident request form and the written third party form entitled "Verification of Need for a Reasonable Accommodation" to the third party verifier. • Conduct oral verification if the third party verifier does not respond. • A doctor's note from the applicant/tenant verifying that the tenant and/or household member must relocate to a specific location or area for medical purposes. • Self-Certification is not acceptable

APPENDIX J: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING (TENANT BASED)

Emergency Transfers:
The Philadelphia Housing Authority (PHA) Housing Choice Voucher Program (HCV) is concerned about the safety of its clients, and such concern extends to clients who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), PHA allows clients who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the client's current unit to another unit. Clients are able to request a VAWA emergency transfer regardless of sex, gender identity, or sexual orientation. Clients must provide certification showing that they are a victim of domestic violence, dating violence, sexual assault, or stalking in order for PHA to make a determination regarding a request for a VAWA emergency transfer.

This plan includes information on eligibility for a VAWA emergency transfer, the VAWA transfer request and unit offer process, VAWA victim safety, and confidentiality. Guidance on VAWA client rights and VAWA certification requirements is contained in the VAWA Notice of Occupancy Rights.

Eligibility for Emergency Transfers:
A client who is a victim of domestic violence, dating violence, sexual assault, or stalking and who provides certification of same is eligible for an emergency transfer if the client reasonably believes that there is a threat of imminent harm from further violence if the client remains in their current unit. If the client is a victim of sexual assault, the client may be eligible for a VAWA emergency public safety transfer if the client reasonably believes there is a threat of imminent harm from further violence if the client remains in their current unit OR if the sexual assault occurred on the premises within the 90-calendar-day period preceding the client's request for a VAWA emergency transfer. Clients who are not in good standing may still request a VAWA emergency transfer if they meet the VAWA emergency transfer eligibility requirements.

Emergency Transfer Request Documentation:
To request a VAWA emergency transfer, the client shall complete and submit to PHA a VAWA Emergency Transfer Request Form and also provide certification, as described in Section 3.12.7 of the Administrative Plan, that the client is a victim of domestic violence, dating violence, sexual assault, or stalking. PHA will provide reasonable accommodations for individuals with disabilities.

Emergency Transfer Timing and Availability:
PHA cannot guarantee that a VAWA emergency transfer request will be approved or how long it will take to process a VAWA emergency transfer request. PHA will, however, act as quickly as possible to issue a voucher to a client who is a victim of domestic violence, dating violence, sexual assault, or stalking, subject to HCV's transfer policies.

If the client who needs a VAWA emergency transfer is unable to locate a safe and available unit, PHA may refer the client to other housing providers or programs. See Section 17.8 and Section 23.35 of HCV's Administrative Plan.

HCV Transfer Hierarchy:
Transfers made pursuant to VAWA are considered emergency transfers. Clients in PHA's HCV Program who request and are approved for a VAWA emergency transfer will be processed for a transfer voucher in accordance with HCV's hierarchy of transfers as established in the Administrative Plan Section 17.3 and Section 23.61.

Safety and Security of Participants:

Clients who are or have been victims of domestic violence are encouraged to contact the Philadelphia Domestic Violence Hotline at 1-866-723-3014 or a local domestic violence agency for assistance in creating a safety plan. For persons with hearing impairments, the Philadelphia Domestic Violence Hotline can be accessed by calling 215-456-1529 (TTY).

Clients who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at https://ohl.rainn.org/online/.

Clients who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our-programs/stalking-resource-center.

Confidentiality:
PHA will keep confidential any information that the client submits in connection with requesting VAWA protections, including keeping confidential the location of the client's new unit, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the client. PHA may disclose information related to a client's request for VAWA protections if the client gives PHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the housing program.

APPENDIX K: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING (UNIT BASED)

Emergency Transfers:
The Philadelphia Housing Authority (PHA) is concerned about the safety of its clients, and such concern extends to clients who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), PHA allows clients who receive unit-based voucher assistance (UBV) and who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the client's current unit. Clients are able to request VAWA protections regardless of sex, gender identity, or sexual orientation. Clients must provide certification showing that they are a victim of domestic violence, dating violence, sexual assault, or stalking in order for PHA to make a determination regarding a request for a VAWA emergency transfer.

This plan includes information on eligibility for a VAWA emergency transfer, the VAWA transfer request and unit offer process, VAWA victim safety, and confidentiality. Guidance on VAWA client rights and VAWA certification requirements is contained in the VAWA Notice of Occupancy Rights.

Eligibility for Emergency Transfers:
Generally, a client who receives unit-based voucher assistance and who is a victim of domestic violence, dating violence, sexual assault, or stalking and who provides certification of same may be eligible for an emergency transfer if the client reasonably believes that there is a threat of imminent harm from further violence if the client remains in their current unit. If the client is a victim of sexual assault, the client may be eligible for a VAWA emergency transfer if the client reasonably believes there is a threat of imminent harm from further violence if the client remains in their current unit OR if the sexual assault occurred on the premises within the 90-calendar-day period preceding the client's request for a VAWA emergency transfer. Clients who are not in good standing may still request a VAWA emergency transfer if they meet the VAWA emergency transfer eligibility requirements.

Households that make an emergency transfer request under VAWA, will have priority to receive the next available opportunity for continued tenant-based assistance. If a tenant-based voucher is unavailable, PHA will offer to allow the household to move to another UBV unit at the same site, if available, and if the household determines that the unit is safe, or to a unit at another UBV site under PHA. The household may also be offered placement on PHA's Public Housing waiting list. Households that make a request for an emergency transfer under VAWA will also be provided with a list of housing opportunities in the community, not necessarily affiliated with PHA, and/or will be referred to domestic violence victim services providers at the UBV client's request.

Emergency Transfer Request Documentation:
To request a VAWA emergency transfer, the client shall complete and submit to PHA a VAWA Emergency Transfer Request Form and also provide certification, as described in Section 3.12.7 of the Administrative Plan, that the client is a victim of domestic violence, dating violence, sexual assault, or stalking. PHA will provide reasonable accommodations for individuals with disabilities.

Emergency Transfer Timing and Availability:
PHA cannot guarantee that a VAWA emergency transfer request will be approved or how long it will take to process a VAWA emergency transfer request. PHA will, however, act as quickly as possible to determine the client's eligibility for a VAWA emergency transfer and the availability of alternative housing assistance, subject to PHA's UBV and VAWA transfer policies.

If a tenant reasonably believes that a proposed transfer would not be safe, the tenant may request a transfer to a different unit. The tenant will be required to provide a good cause reason for refusing the unit and documentation supporting their good cause reason for refusing the unit.

If a safe UBV unit or tenant-based assistance is not immediately available, the client will be provided with a list of housing opportunities in the community, not necessarily affiliated with PHA, and/or will be referred to domestic violence victim services providers at the UBV client's request.

UBV Transfer Hierarchy:
Transfers made pursuant to VAWA are considered emergency transfers. Clients in PHA's UBV Program who request and are approved for a VAWA emergency transfer will be processed for a transfer voucher in accordance with PHA's hierarchy of transfers as established in the Administrative Plan.

Safety and Security of Participants:
Clients who are or have been victims of domestic violence are encouraged to contact the Philadelphia Domestic Violence Hotline at 1-866-723-3014 or a local domestic violence agency for assistance in creating a safety plan. For persons with hearing impairments, the Philadelphia Domestic Violence Hotline can be accessed by calling 215-456-1529 (TTY).

Clients who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at https://ohl.rainn.org/online/.

Clients who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our-programs/stalking-resource-center.

Confidentiality:
PHA will keep confidential any information that the client submits in connection with requesting VAWA protections, including keeping confidential the location of the client's new unit, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the client. PHA may disclose information related to a client's request for VAWA protections if the client gives PHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the housing program.