

# **Housing Choice Voucher Program**

## **Administrative Plan**

**July 1, 20223 - June 30, 20234**



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## **CHAPTER 1**

### **STATEMENT OF POLICIES AND OBJECTIVES**

#### **INTRODUCTION**

The Housing Choice Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Housing Choice Voucher Program Tenant-Based Assistance Program, is described in and implemented throughout this Administrative Plan. The Housing Choice Voucher Program tenant-based assistance programs are federally funded and administered in Hamilton County by the Cincinnati Metropolitan Housing Authority through its Housing Choice Voucher Program office.

Administration of the Housing Choice Voucher Program and the functions and responsibilities of the Housing Authority (CMHA) staff shall be in compliance with CMHA's Personnel Policy and the Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

#### **Jurisdiction**

The jurisdiction of CMHA is Hamilton County.

#### **A. HOUSING AUTHORITY MISSION STATEMENT**

To be leader in the housing industry by providing exceptional housing opportunities while achieving high levels of customer satisfaction, promoting self-sufficiency and neighborhood stability, and being a long-term asset to the community. We will achieve this by developing public/private partnerships and creating entrepreneurial opportunities and by employees and residents hold themselves to our Gold Standards of Excellence.

#### **B. LOCAL GOALS [24 CFR 982.1]**

**CMHA Goal:** Expand the footprint supply of quality affordable housing.

##### **Objectives:**

- Leverage private or other public funds to create additional housing opportunities.
- Incorporating Project Based Vouchers as a strategy to improve the quality of rental housing for assisted housing customers.

**CMHA Goal:** Improve the quality of affordable housing.

**Objectives:**

- Maintain efficient voucher management: Maintain High-Performer SEMAP rating.
- Aggressively remove non-compliant property owners and participants from the program.
- Increase customer satisfaction by concentrate on efforts to improve specific management functions.
- Provide replacement vouchers.
- Provide training programs for participating owners.

**CMHA Goal: Expand landlord footprint into areas of opportunity to increase affordable housing choices.**

**Objectives:**

- Provide voucher mobility linkages.
- Conduct outreach efforts to potential voucher landlords.
- Conduct outreach efforts to enhance program image.
- Increase and enhance the voucher homeownership program.
- Revise voucher payment standards to more accurately reflect the market.

**CMHA Goal: Promote self-sufficiency for all HCV program participants.**

**Objectives:**

- Increase the number and percentage of employed participants.
- Identify supportive services and link services with FSS and other participants to improve recipients' employability.
- Provide or attract supportive services to increase independence for the elderly and families with disabilities.

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

**Objectives:**

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, to actual or perceived sexual orientation, gender identity, familial or marital status, or disability.

- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, to actual or perceived sexual orientation, gender identity, familial or marital status, or disability.
- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

CMHA also has the following goals for the program:

To work with local neighborhood groups, law enforcement agencies, and community councils to be good neighbors in their communities.

To encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service needs.

To create positive public awareness and expand the level of family, owner, and community support in accomplishing CMHA's mission.

To attain and maintain a high level of standards and professionalism in our day-to-day management of all program components.

To utilize all available methods to ensure accurate tenant and subsidy payments.

To administer an efficient, high-performing program through continuous improvement of CMHA's support systems and commitment to our employees and their development.

To provide quality affordable housing for very low-income families while maintaining their rent payments at an affordable level.

To ensure that all units meet Housing Quality Standards and families pay fair and reasonable rents.

To promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience greater freedom of housing choice.

To promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.

To promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.

To attract quality owners/landlords to participate in the HCV program.

To provide the highest level of customer service to all owners/landlords on the HCV program.

To promote policies and procedures that benefit owners/landlords, participants, and the community overall that will demonstrate an effective HCV program that provides neighborhood stability, fair profit sharing and reinvestments for owners/landlords while providing quality housing for participants.

**C. PURPOSE OF THE PLAN [24 CFR 982.54]**

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan.

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

This Administrative Plan is a supporting document to the CMHA Agency Plan, and is available for public review as required by CFR 24 Part 903.

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Housing Choice Voucher Program  
Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Voucher (PBV) Program
- 43503 HUD Multi Family Guidebook

**D. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54(d) (21)]**

Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes shall not exceed \$3,590,700 in the aggregate for each fiscal year without the prior approval of CMHA Board of Commissioners.

**E. RULES AND REGULATIONS [24 CFR 982.52]**

This Administrative Plan is set forth to define CMHA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Housing Choice Voucher Program not addressed in this document are governed by such federal regulations, HUD memos, notices and guidelines, or other applicable law. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

**F. TERMINOLOGY**

The Cincinnati Metropolitan Housing Authority is referred to as "CMHA," "PHA," or "Housing Authority" throughout this document.

"Tenant" is used to refer to participants in terms of their relation to owners.

"Landlord" and "owner" are used interchangeably.

"Noncitizens Rule" refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

The Housing Choice Voucher Programs are also known as the Housing Choice Voucher Program, HCVP, Section 8, the Moderate Rehabilitation Program, and other special housing types as detailed in Chapter 20.

"HQS" means the Housing Quality Standards required by regulations as enhanced by CMHA.

"Failure to Provide" refers to all requirements in the first Family Obligation. See "Denial or Termination of Assistance" Chapter.

"Merger Date" refers to October 1, 1999, which is the effective date of the merging of the Housing Choice Voucher Program Certificate and Voucher programs into the Housing Choice Voucher Program.

See Glossary for other terminology.

**CHAPTER 2**  
**AFFIRMATIVELY FURTHERING FAIR HOUSING**  
**[24CFR §108]**

**Philosophy**

CMHA will implement policies and procedures to recognize the importance of local decision-making to help guide public sector housing, community development and investment decisions to fulfill their obligation to affirmatively further fair housing.

**POLICY**

Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) requires HUD to administer its programs in a way that affirmatively furthers fair housing. The laws that establish the Community Development Block Grant (CDBG) program, the Comprehensive Housing Affordability Strategy (CHAS), and the Public Housing Authority Plan (PHA Plan) each require jurisdictions to certify in writing that they are affirmatively furthering fair housing. CMHA is committed to working with local governments, both the state and federal governments and Hamilton County Community stakeholders to affirmatively further fair housing.

CMHA will focus on improving integrated living patterns and overcoming historic patterns of segregation; reducing racial and ethnic concentrations of poverty; reducing disparities on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status,, handicap or disability in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and responding to disproportionate housing needs by protected class.

CMHA will work with local government and organizations on an analysis to identify and address impediments to fair housing choice within its jurisdiction; (2) take actions within its control to overcome the effects of any impediments identified through that analysis; and (3) maintain records reflecting the analysis and actions in this regard.

**A. FAIR HOUSING [24 CFR 982.54(d)(6)]**

It is the policy of the Housing Authority to comply fully with all federal, state, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

CMHA shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Housing Choice Voucher Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability.



To further its commitment to full compliance with applicable civil rights laws, CMHA will provide federal/state/local information to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable fair housing information and discrimination complaint forms will be made a part of the voucher holder's briefing packet and available upon request at the HCV reception desk. CMHA will make available the toll free number for the Housing Discrimination Hotline 1-800-669- 9777 and the Federal Information Relay Service at 1-800-887-8339 to facilitate filing fair housing complaints.

Housing Authority staff is kept informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority offices and the equal opportunity logo is used on all outreach materials. Staff attends local fair housing update training sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

## **B. TRANSLATION OF FOREIGN LANGUAGES**

For persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand. For purposes of Title VI and with the limited English proficiency (LEP) Guidance, persons may be entitled to language assistance with respect to a particular service, benefit, or encounter. For persons with limited English proficiency (LEP) the following will be considered:

### **Oral Translation**

The Housing Authority, with sufficient advanced notice, will make arrangements to assist non-English speaking families and translate documents into other languages.

### **Translation of Documents**

In determining whether it is feasible to provide translation of documents written in English into other languages, CMHA will consider the following factors:

- The number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
- The estimated cost to CMHA per client of translation of English written documents into the other language.
- The availability of local organizations to provide translation services to non-English speaking families.
- The availability of bilingual staff to provide translation for non-English speaking families.

Make buildings and communications that facilitate applications and service delivery accessible to persons with disabilities:

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

Provide fair housing counseling services or referrals to fair housing agencies to families needing this service.

### **C. MANAGEMENT ASSESSMENT OBJECTIVES**

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

Selection from the Wait List

Reasonable Rent

Determination of Adjusted Income

Utility Allowance Schedule

HQS Quality Control Inspections

HQS Enforcement  
Expanding Housing Opportunities  
Payment Standards  
Annual Reexaminations  
Correct Tenant Rent Calculations  
Pre-Contract HQS Inspections  
Annual HQS Inspections  
Lease-Up  
Family Self-Sufficiency Enrollment and Escrow Account Balances  
Bonus Indicator Deconcentration

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

Selection from the Wait List  
Rent Reasonableness  
Determination of Adjusted Income  
HQS Enforcement  
HQS Quality Control

The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail.

The minimum sample size to be reviewed will relate directly to each factor.

**D. RECORDS FOR MONITORING CMHA'S PERFORMANCE**

In order to demonstrate compliance with HUD and other pertinent regulations, CMHA will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and CMHA's record retention policy; in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and/or assess its operational procedures objectively, with accuracy and in accordance with SEMAP requirements.

In addition to the required SEMAP documentation, supervisory staff will perform on-going quality control audits of the following functions:

Reexaminations

New Admissions

HQS Inspections

**E. PRIVACY RIGHTS [24 CFR 982.551 and 24 CFR 5.212]**

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

CMHA's policy regarding release of information is in accordance with federal, state and local laws which may restrict the release of family information.

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

**F. FAMILY OUTREACH**

CMHA will publicize and disseminate information to make known the availability of housing assistance and related services for families. When CMHA's wait list is open, CMHA will publicize the availability and nature of housing assistance for very families in a newspaper of general circulation, local media, and by other suitable means.

To reach persons who cannot read the newspapers, CMHA will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel.

CMHA will communicate the status of housing availability to other service providers in the community, and advise them of housing eligibility factors and guidelines to assist them in making referrals for housing assistance.

**G. OWNER OUTREACH [24 CFR 982.54(d) (5)]**

CMHA makes 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. This includes informing participant owners of applicable legislative changes in program requirements.

CMHA encourages owners of quality affordable housing units to lease to Housing Choice Voucher Program families.

CMHA conducts general meetings with participating owners to improve owner relations, increase program knowledge and recruit new owners.

CMHA will utilize a third party vendor to maintain a list of interested owners and

units available in all Hamilton County neighborhoods for the Housing Choice Voucher Program. CMHA will provide families with information on how to obtain this information from the vendor providing the service.

The staff of CMHA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

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

CMHA has active participation in a community-based organization(s) comprised of private property and apartment owners and managers.

CMHA will actively recruit and encourage participation of property owners with property located outside areas with high poverty rates or areas with high concentrations of assisted housing. CMHA may periodically evaluate the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide more choices and better housing opportunities to families.

Voucher holders are informed of a broad range of areas where they may lease units inside CMHA's jurisdiction. CMHA will also guide families to work with Housing Opportunities Made Equal (HOME) to assist families who desire to live outside areas with high poverty rates or areas with high concentrations of assisted housing.

CMHA may work with an outside entity to counsel families on their prospective move and services available in the areas in which the family is interested, with the goal of increasing the number of voucher holders moving into low-poverty neighborhoods and areas of opportunity.

CMHA may periodically:

- Request the HUD Field Office to furnish a list of HUD-held properties available for rent.

- Develop working relationships with owners' associations including Greater Cincinnati Northern Kentucky Apartment Association and Real Estate Investors Association.

- Establish contact with civic, charitable and neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.

- Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, owners, and other groups that have dealings with low-income families or are interested in housing such families.

#### **H. APPLYING FOR ADMISSION**

Outreach efforts will include notification of all media and agencies listed in CMHA's Administrative Plan regarding public notices (see section on opening and closing the wait list in "Applying for Admission" chapter).

All persons who wish to apply for any of CMHA's programs must submit a pre-application, as indicated in our public notice. Applications will be made available in an accessible format upon request from a person with a disability. Applicants will then be pulled from the wait list in ranking order, and invited to a briefing. Upon request, CMHA will mail information to an applicant on how to obtain a reasonable accommodation. If requested by the applicant, the information will be mailed in an accessible format.

A full application must be completed prior to final determination of eligibility for the HCV program. After the applicant completes the full application, they are interviewed by CMHA staff to review the information on the full application form. The full application will also include questions asking all applicants whether reasonable accommodations are necessary.

#### **I. REASONABLE ACCOMMODATIONS [ 24 CFR 100.204, CFR 24.8.3]**

**The vision and purpose of the policy:** The Cincinnati Metropolitan Housing Authority is an Ohio metropolitan housing authority and a public body. In keeping with its vision of providing innovative affordable housing solutions to low and moderate income individuals and families, the Cincinnati Metropolitan Housing Authority consistently strives to improve the total quality of its housing environment. CMHA must ensure that persons with disabilities have full access to CMHA's programs and services.

CMHA's reasonable accommodation policy is developed to provide all otherwise qualified applicants, residents, employees and other participants of CMHA programs or operations with equal access to all opportunities, programs and services offered by CMHA. Such access shall not be compromised by an individual's disability, unless in doing so, the nature of CMHA's programs or services would be fundamentally changed or result in undue hardship to CMHA or pose a direct threat to the health or safety of the individual or others.

CMHA will alert all applicants and resident families at the time of the initial application, reexamination for program eligibility and on notices of adverse action by CMHA, of the opportunity to request a reasonable accommodation.

## **POLICY**

CMHA will provide reasonable accommodation in its housing programs and services for applicants, participants, or residents with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program. A person with a disability may request a reasonable accommodation at any time during the application process, residency in public housing, or participation in the Asset Management, Voucher Management, or Modern Rehabilitation programs of CMHA. The individual requesting the reasonable accommodation, or the CMHA staff member on behalf of the individual, or any person identified by the individual should submit all requests in writing.

The decision to approve or deny request for reasonable accommodation is made on a case-by-case basis and takes into consideration the disability and the needs of the individual, as well as, the nature of the program or activity in which the individual seeks to participate. Reasonable accommodation methods or actions that may be appropriate for a particular program and individual may be found to be inappropriate for another program or individual.

### **Requests for Reasonable Accommodations**

CMHA will develop and implement procedures through which individuals may request a reasonable accommodation. CMHA will make available to all persons applying for residency at CMHA, or current residents, notice of the option to request a reasonable accommodation.

CMHA will encourage that requests be submitted, in writing, using a reasonable accommodation request form. However, it is *not mandatory* that requests for accommodations be made in writing. However, CMHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted. CMHA shall consider the need for accommodation by an applicant or resident that orally indicates that an exception, change or adjustment to a rule, policy, practice or service is needed due to a disability. If a resident requests a reasonable accommodation and does not wish to put the request in writing, the site asset manager (or other CMHA staff) should reduce the request to writing and forward to the 504 Coordinator.

The family must explain what type of accommodation is needed to provide the person with the disability full access to CMHAs programs and services. If the need for the accommodation is not readily apparent or known, the family must explain the relationship between the requested accommodation and the disability.

The 504 Coordinator will obtain necessary third-party verification from a professional competent to render the opinion and knowledgeable about the individual's situation. The individual may be identified by the family as the individual competent to make the determination and may include 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 and provide verification of a disability.

CMHA may not inquire about the nature or extent of any disability. Medical records will not be accepted or retained in the participant's file.

Requests for accommodations must be assessed on a case-by-case basis. After a request for an accommodation is presented, CMHA will respond, in writing, within ten (10) business days from receipt of a completed request. Upon receipt of the request for accommodation, whether oral or in writing, CMHA shall, within ten (10) business days of the initial receipt, respond in writing as to whether or not the request for accommodation has been approved.

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

If CMHA 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 CMHA's operations), CMHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

It is the policy of CMHA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families. CMHA will provide reasonable accommodations in its housing programs and services for applicants, participants, or residents with disabilities in accordance with its **Reasonable Accommodation Policy** incorporated into this Administrative Plan.

A participant with a disability must first request a specific change to a policy or practice as an accommodation of their disability before CMHA will treat a person differently than anyone else. CMHA's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and



utilize the Housing Choice Voucher program and related services. The availability of requesting an accommodation will be made known by including notices on CMHA forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with CMHA, when CMHA initiates contact with a family including when a family applies, and when CMHA schedules or reschedules appointments of any kind.

**To be eligible for a reasonable accommodation:**

First, the requester must certify or verify that they are an individual person with a disability under the following ADA definition:

- A physical mental or emotional impairment that substantially limits one or more major life activities of an individual;
- A record of such impairment; or being regarded as having such impairment. Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, CMHA will require that a professional third party competent to make the assessment and provide written verification that the person needs the specific accommodation due to their disability and that the change is required for them to have equal access to the housing program. If CMHA finds that the requested accommodation fundamentally alters the nature of the CMHA's operations, and/or creates an undue administrative or financial burden, CMHA will deny the request and/or present an alternate accommodation that will still meet the need of the person. An undue administrative burden is one that requires a fundamental alteration of the essential functions of CMHA (i.e., waiving a family obligation). An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on CMHA.

**Verification of Disability**

CMHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and the Americans with Disabilities Act (also referred to as "ADA"). If the person's disability is obvious or already known, and if the need for the requested

reasonable accommodation is readily apparent CMHA will not request additional verification.

CMHA will only request verification of the need for the requested accommodation every second recertification year. The verification process does not require that the disability be verified, only that the accommodation is still required and is a nexus to the disability.

**CHAPTER 3**  
**ELIGIBILITY FOR ADMISSION**  
**24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]**

**PHILOSOPHY**

CMHA will strive for objectivity and consistency in applying both HUD's and CMHA's screening criteria to evaluate the eligibility of families who apply for housing assistance.

**POLICY**

CMHA staff will objectively review all information provided by the applicant family. This review will be conducted in a careful manner in accordance with CMHA and HUD's admission eligibility criteria. Families will be provided an opportunity to explain their circumstances, to furnish additional information, and to receive an explanation regarding how a decision was made by CMHA pertaining to their admission eligibility.

**A. ELIGIBILITY FACTORS [982.201(b)]**

CMHA accepts applications only from families whose head or spouse/co-head is at least 18 years of age or a person who has been designated as an emancipated minor through court order.

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

The HUD eligibility criteria are:

An applicant must be a "family." The term "*family*" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- (2) A group of persons residing together and such group include, but are not limited to:
  - (i) 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);
  - (ii) An elderly family;
  - (iii) A near-elderly family;
  - (iv) A disabled family;
  - (v) A displaced family; and
  - (vi) The remaining member of a tenant family.

In addition, for categorizing family as defined above, the terms disabled family, elderly family and near-elderly family (per 24 CFR 5.403) are:

*Disabled family* means a family whose head (including co-head), spouse or sole member is a person with a disability.

*Elderly family* means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

*Near elderly family* means a family whose head (including co-head), spouse or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age

- An applicant must be within the appropriate Income limits.
- An applicant must furnish Social Security Numbers for all family members.
- An applicant must furnish declaration of citizenship or eligible immigrant status and verification where required.
- At least one member of the applicant family must either be a U.S. citizen or have eligible immigration status before CMHA may provide any financial assistance.

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

The family's initial eligibility for placement on the wait list will be made in accordance with the eligibility factors.

Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the wait list for final eligibility processing for issuance of a voucher.

## **B. FAMILY COMPOSITION [24 CFR 5.403]**

The applicant must qualify as a "family". A "family" may be a single person or a group of persons.

A disabled family is a family whose head (including co-head), spouse, or sole member is a person with a disability. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

A displaced family is 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.

An elderly family is a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

A "family" includes, but is not limited to, the following:

A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person: or

A group of persons residing together, and such group include, but are 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 disabled family;

A displaced family; and

The remaining member of a tenant family.

#### **Head of Household**

The head of household is the adult member of the household, designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a contract under state/local law. Emancipated minors who qualify under state law can be recognized as head of household.

#### **Spouse of Head**

Spouse means the husband or wife of the head of household.

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

#### **Co-Head**

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

#### **Live-In Aides**

A family may include a Live-In Aide provided that such Live-In Aide:

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

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

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

Occasional, intermittent, multiple or rotating care givers do not meet the definition of Live-In Aide, therefore, CMHA will not grant an additional bedroom for rotating

caregivers.

A Live-In Aide is treated differently than family members, including:

Income of the Live-In Aide will not be counted for purposes of determining eligibility or level of benefits.

Live-In Aides are not subject to Noncitizen Rule requirements.

Live-In Aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being Live-In Aides, but they must meet all of the elements in the Live-In Aide definition described above.

A Live-in Aide must be identified by the family and may only reside in the unit with the approval of CMHA. Written verification will be required from a health care provider. The verification provider must certify that a Live-In Aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled.

CMHA 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 a disability. Approval of a Live-In Aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 2 of this Administrative Plan. The continued need for a Live-In Aide must be verified at every annual recertification.

Verification must include the number of hours that care will be provided.

[24 CFR 982.316] At any time, CMHA will refuse to approve a particular person as a Live-In Aide or may withdraw such approval if:

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

The person does not meet CMHA's program eligibility requirements;

The person commits drug-related criminal activity, violent criminal activity, sexual offense or any criminal activity deemed unsuitable;

The person was evicted or terminated from a federally assisted housing program in the past 36 months; or

The person currently owes rent or other amounts to CMHA or another assisted housing provider under the 1937 Act.

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

When a family on the wait list splits into two otherwise eligible families and the new families both claim the same placement on the wait list, CMHA will ensure that

both parties receive the same placement on the wait list

**Joint Custody of Children**

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

There will be a self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the wait list and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

**C. INCOME LIMITATIONS [24 CFR 982.201(b), 982.353]**

To be eligible for assistance, an applicant's annual income at the time of admission must not exceed 50% of median area incomes except as provided for as follows:

Asset Management tenants relocating from a Hope VI site;

Tenants living in project based housing who receive a voucher when the owner opts out of his/her contract with HUD; or

Other exceptions that are consistent with HUD regulations.

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

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

Portability: applicant families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

**D. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]**

**Applicants**

CMHA will deny eligibility to an applicant family if any required member of the household fails to disclose their Social Security Number and/or provide the required documentation of same.

If an applicant family is otherwise eligible to participate in the HCV program, the family may maintain their position on the wait list for a period of 90 calendar days in order to provide the missing Social Security Number and documentation for all member of the household. If there are issues beyond the families' control that prevent the Social Security Number from being obtained, CMHA may grant the

family a one-time 90-day extension to comply with the Social Security Number documentation requirement.

However, if the applicant family consists of a child under six (6) years of age, who was added to the household within a period of six (6) months prior to the date of voucher issuance, failure to disclose or provide the minors social security number at the time of the briefing will not in and of itself preclude the applicant family from being eligible from participation. The missing social security number(s) for the affected minor household members must be submitted to CMHA's HCV department within 90 calendar days of the HAP Contract effective date. If the applicant family fails to produce the requested documentation within the permissible timeframes.

At the expiration of the provided time period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will deny Housing Choice Voucher assistance to the applicant family.

### **Participants**

Individuals exempt from disclosure and verification procedures are:

Individuals who do not contend to have eligible immigration status.

Tenants age 62+ as of 1/31/10.

Tenants who have previously disclosed a valid SSN.

For participant households adding a new household member under the age of six with no assigned SSN, the new household member will be included as a household member, under a PIC generated alternate ID number, for a period not to exceed ninety (90) calendar days. During this time period the family must disclose the missing social security number and required documentation to CMHA. CMHA may extend the submission deadline for an additional ninety (90) calendar days if unforeseen circumstances outside of the family's control will prevent timely disclosure and submission of required documentation.

At the expiration of the provided time period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will terminate the participant's housing assistance.

For participant households adding a new household member at least six years of age, or under the age of six with an assigned SSN, the family must disclose the SSN and provide documentation of the SSN to CMHA at the time of requesting the addition of the new household member. The new household member cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.



**E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]**

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

For the citizenship/eligible immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

**Mixed families:** A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

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

**Noncitizen students:** Defined by HUD in the noncitizen regulations at 24 CFR 5.522 are not eligible for assistance.

**Appeals:** For this eligibility requirement only, the applicant is entitled to an informal review.

**F. OTHER CRITERIA FOR ADMISSION [24 CFR 982.552(b)]**

A family will not be admitted to the program if any member of the family has been evicted or terminated, within the past three years, from a federally assisted housing program, or is currently under termination or eviction from a federally assisted housing program for a serious violation of the lease.

A family will be denied admission to the program if any member of the family fails to sign and submit consent forms for obtaining information required by CMHA, including Form HUD-9886.

CMHA will apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program:

The family must not have violated any family obligation during a previous participation in the Housing Choice Voucher Program for three years prior to application to the wait list. CMHA may make an exception, if the family member who violated the family obligation is not a current member of the household on the application.

The family must be in good standing regarding any current repayment agreement made with CMHA or another PHA for a previous debt owed to any

assisted housing provider as a result of prior participation in any federal housing program, before CMHA will allow participation in its Housing Choice Voucher Program.

~~If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. Once the family reaches the top of the list and is pulled, the family will be given 90 days from the day they are pulled to pay the outstanding debt in full with the entity they owe. Upon payment of the debt, the family will be placed back on the wait list with their same date and sequence time. If the debt is not paid in full within 90 calendar days, the application will be withdrawn.~~

- o If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

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CMHA will check the criminal history for all adults in the household to determine whether any member of the family has engaged in any of the prohibited behaviors as referenced in the section on screening and terminations policy in the "Denial or Termination of Assistance" chapter.

CMHA will evaluate the applicant's record of previous tenancy on the Housing Choice Voucher Program and other CMHA housing programs. If the record was unsatisfactory, assistance may be denied. The family will have an opportunity for an informal review on the denial.

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

#### **G. TENANT SCREENING [24 CFR 982.307]**

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

CMHA will not screen family behavior or suitability for tenancy. CMHA will screen a family for program eligibility. CMHA will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

The owner is responsible for screening and selecting the family to occupy the owner's unit. Before CMHA approval of the tenancy, CMHA will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families for rental suitability based on their tenancy histories, including such factors as: [24 CFR 982.307(a)(3)]

- Previous landlord reference checks;

- Payment of rent and utility bills;

- Caring for a unit and premises;

- Respecting the rights of other residents to the peaceful enjoyment of their housing;

- Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and

- Compliance with other essential conditions of tenancy.

If requested in writing, CMHA will give the owner:

- The family's current and prior address as shown in CMHA's records; and

- The owner's contact information, if known, for the family's current and prior address.

If requested, CMHA will offer the owner other information in CMHA's possession concerning the family, including:

- Information about the family's tenancy history; or

- Information about criminal activity by family members.

CMHA will advise families how to file a complaint if they have been discriminated against by an owner. CMHA will advise the family to make a fair housing complaint. CMHA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local fair housing organization.

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

Because HUD periodically issues changes in rules and regulations and because family circumstances may have changed between the preliminary application and the full application, CMHA will make a final determination of eligibility and notify the family in writing after the full application and verification process is completed. The household is not eligible for voucher issuance until this final determination has been made.

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment. If any of the reasons for denial become applicable to the applicant after the initial determination of eligibility but before the effective date of the contract, the tenant would be determined ineligible.

#### **I. INELIGIBLE FAMILIES [24 CFR 5.612]**

**College Students**

No assistance shall be provided to a family where the head of household is enrolled (full time or part time) as a student at an institution of higher education who is:

Under 24 years old;

Not a U.S. veteran;

Unmarried and does not have a dependent child, unless:

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The student is eligible and the student's parents (individual or jointly) are income eligible for the program; or

The student can demonstrate absence or independence from their parents.

Assistance may be provided where the head of household is a college student and who meets one or more of the following criteria:

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

An orphan or ward of court through age 18;

A veteran of the U.S. Armed Forces;

Married;

Has a legal dependent(s) other than a spouse (i.e., dependent children or an elderly dependent parent); or

Unclaimed as a dependent on another person's tax return.

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review. See "Complaints and Appeals" chapter for additional information about reviews and hearings.

## **CHAPTER 4**

### **ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST**

[24 CFR Part 5, Subpart D; 982.54(d)(1), 982.204, 982.205, 982.206]

#### **PHILOSOPHY**

It is CMHA's objective to ensure that families are placed in the proper order on the wait list and selected from the wait list for admissions in accordance with the policies in this Administrative Plan. By maintaining an accurate wait list, CMHA will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

#### **A. WAIT LIST POLICY [24 CFR 982.204]**

CMHA uses a wait list for admission to its Housing Choice Voucher Tenant-Based Assistance Program. CMHA also maintains a wait list for each Project Based Voucher Contract. Unless indicated otherwise, the preferences listed below are for CMHA's tenant based wait list only.

Except for Special Admissions, Ports and applicants for Project-Based Vouchers, applicants will be selected from CMHA HCV wait list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan. For Special Admissions, each agency that is authorized to refer families for the vouchers for their program will determine the preference among their pool of applicants.

CMHA will maintain information that permits proper selection from the wait list.

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

- Applicant name(s);
- Family unit size (number of bedrooms per CMHA subsidy standards);
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household;
- Annual (gross) family income; and
- Number of persons in family.

#### **B. LOCAL PREFERENCES [24 CFR 982.207]**

CMHA will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the wait list. Applicants must claim eligible preference(s) at the time of application to the wait list.

Except for Special Admissions, applicants for Housing Choice Voucher Program assistance will be taken from the Housing Choice Voucher Program wait list in order of the following local preferences:

- Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP). \*\*50 points
- Referrals of disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD) up to 150 referrals. \*\* 35 points
- Referrals of disabled persons referred by the Center for Independent Living Options (CILO) up to 75 referrals. \*\*35 points
- HUD funded Family Unification Program (FUP) Voucher. \*\*35 points
- Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. \*\*75 points
- Displaced preference for voucher families who have been terminated from the program as a result of insufficient funding. \* \* 80 points
- Displaced preference for Asset Management/LIPH families in a hard to house situation, RAD conversion of AM/LIPH unit or due to demo/disposition of units. \*\*80 points
- Referral from Asset Management/LIPH [or Touchstone Management Services](#) when a family or individual cannot be housed because of extenuating circumstances. \*\* 80 points
- Referrals for Temporary and/or Permanent Relocation assistance from Asset Management Services, RAD or Non-RAD units. \*\*80 points
- Referral from Strategies to End Homelessness up to 1,150 referrals. \*\* 30 points
- Referral from Cincinnati Public Schools for homeless families up to 100 referrals. \*\*32 points
- ~~Veteran preference. 35 points~~
- Youths aging out of foster care age 18-24: Youth referred for assistance by Lighthouse Youth Services or Hamilton County Job and Family Services who were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation up to 100 referrals. \*\* 30 points
- Referral of families from Hamilton County Office of Reentry up to 5 referrals. \*\* 32 points
- Referral from Hamilton County Reentry Program: This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals. 32 points
- Mainstream Preference - Referrals or direct applications from families who are

composed of one or more non-elderly person with disabilities (which may include additional members who are not non-elderly persons with disabilities) who are:

- Transitioning out of institutional and other segregated settings
- At serious risk of institutionalization
- Currently experiencing homelessness
- Previously experienced homelessness **AND** currently a client in a permanent supportive housing or rapid rehousing project or at risk of experiencing homelessness up to referrals.

CMHA will admit families who qualify under the Extremely Low Income limit to meet the income-targeting requirement, regardless of preference.

- Preference for families referred from Strategies to End Homelessness to the Summit Apts. Project-based wait list. \*\*\*30 points
- Foster Youth Independence- Initiative: The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:
  - Has attained at least 18 years and not more than 24 years of age;
  - 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 at age 16 or older; **and**
  - Is homeless<sup>[1]</sup> or is at risk of becoming homeless<sup>[2]</sup>. \*\* 40 points

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<sup>[1]</sup> **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. <sup>2</sup> **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

\*\*\* This preference is for the Summit Apts. PBV wait list only.

\*\*\*\* Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, Mainstream, Asset Management/LIPH, [Touchstone Management Service](#), Asset Management Services, Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, CILO and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed, consistent with 24 CFR 982.206 (c).

#### C. **SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]**

CMHA admits a limited number of families under a Special Admissions procedure. Special Admissions families will be admitted outside of the regular wait list process. They do not have to qualify for any preferences, nor are they required to be on the program wait list. CMHA maintains separate records of these admissions.

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



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

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

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

A family residing in a CMHA owned property converted to RAD under Choice Mobility;

A family residing in a project covered by a Project-Based Housing Choice Voucher Program HAP Contract at the end of the initial HAP Lease/Contract term; and

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

Special Admissions Programs, subject to funding availability, are:

HUD VASH Homeless;

Emergency Housing Vouchers;

Mainstream Vouchers;

Homeless VASH;

Moderate Rehabilitation (MOD);

Families that have been designated as eligible for assistance under HUD's Disaster Assistance Program (DHAP);

Family Unification Program (FUP);

Foster Youth Independence Initiative;

If specifically funded by HUD, non-elderly disabled households;

If specifically funded by HUD, non-elderly households with a disabled person transitioning from nursing homes or other health care institutions into the community. (NED2)

#### **D. INCOME TARGETING**

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year CMHA will reserve a minimum of 75 percent of its Housing Choice Voucher Program new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as "Extremely Low Income families." CMHA will admit families who qualify under the Extremely Low Income limit to meet the income-targeting requirement, regardless of preference.

CMHA's income targeting requirement does not apply to low income families

continuously assisted as provided for under the 1937 Housing Act.

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

**E. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR 982.207]**

**Change in Circumstances**

Changes in an applicant's circumstances while on the wait list may affect the family's entitlement to a preference. Applicants are required to notify CMHA in writing when their circumstances change.

**F. ORDER OF SELECTION [24 CFR 982.207(e)]**

CMHA's method for selecting applicants from a preference category leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the Administrative Plan.

**Local Preferences**

Local preferences will be used to select families from the wait list. Households may qualify for more than one preference and will receive the points for each. CMHA has selected the following system to apply local preferences:

- Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP). \*\*50 points
- Referrals of disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD) up to 150 referrals. \*\* 35 points
- Referrals of disabled persons referred by the Center for Independent Living Options (CILO) up to 75 referrals. \*\*35 points
- HUD funded Family Unification Program (FUP) Voucher. \*\*35 points
- Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. \*\*75 points
- Displaced preference for voucher families who have been terminated from the program as a result of insufficient funding. \* \* 80 points
- Displaced preference for Asset Management/LIPH families in a hard to house situation, RAD conversion of AM/LIPH unit or due to demo/disposition of units. \*\*80 points
- Referral from Asset Management/LIPH [or Touchstone Management Services](#) when a family or individual cannot be housed because of extenuating circumstances. \*\* 80 points
- Referrals for Temporary and/or Permanent Relocation assistance from Asset Management Services, RAD or Non-RAD units. \*\*80 points
- Referral from Strategies to End Homelessness up to 1,150 referrals. \*\* 30 points

- Referral from Cincinnati Public Schools for homeless families up to 100 referrals. \*\*32 points

• ~~Veteran preference. 35 points~~

- Youths aging out of foster care age 18-24: Youth referred for assistance by Lighthouse Youth Services or Hamilton County Job and Family Services who were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation up to 100 referrals. \*\* 30 points
- Referral from Hamilton County Reentry Program: This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals. 32 points
- Mainstream Preference - Referrals or direct applications from families who are composed of one or more non-elderly person with disabilities (which may include additional members who are not non-elderly persons with disabilities) who are:
  - Transitioning out of institutional and other segregated settings
  - At serious risk of institutionalization
  - Currently experiencing homelessness
  - Previously experienced homelessness **AND** currently a client in a permanent supportive housing or rapid rehousing project or at risk of experiencing homelessness up to referrals.

CMHA will admit families who qualify under the Extremely Low Income limit to meet the income-targeting requirement, regardless of preference.

- Preference for families referred from Strategies to End Homelessness to the Summit Apts. Project-based wait list. \*\*\*30 points
- Foster Youth Independence- Initiative: The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:
  - Has attained at least 18 years and not more than 24 years of age;
  - 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 at age 16 or older; **and**
  - Is homeless<sup>[1]</sup> or is at risk of becoming homeless<sup>[2]</sup>. \*\* 40 points

<sup>[1]</sup> **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. <sup>2</sup> **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

\*\*\* This preference is for the Summit Apts. PBV wait list only.

\*\*\*\* Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, Mainstream, Asset Management/LIPH, Touchstone Management Services, Asset Management Services, Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, CILO and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed,

consistent with 24 CFR 982.206 (c).

CMHA will admit families who qualify under the Extremely Low Income limit to meet the income-targeting requirement, regardless of preference.

#### **G. FINAL VERIFICATION OF PREFERENCES [24 CFR 982.207]**

CMHA will verify that a family claiming an applicant preference qualifies for the preference based on the family's circumstances.

The family must also qualify for the claimed preference(s) at the time of application to the wait list.

If verification results in a change of preference status, the applicant will be notified of their failure to qualify for the preference. The preference will be removed and the family placed back on the wait list in the appropriate order.

#### **H. Special Programs**

CMHA will maintain a separate wait list for its Moderate Rehab, NED2, Mainstream each Project Based Voucher Projects, RAD Choice Mobility and HUD VASH programs. Referrals will be received for these programs in accordance with program regulations. Applicants will be ranked according to date and time of referral, unless a preference is indicated above.

- Choice Mobility Wait List: If the Voucher Inventory Turnover or Project Turnover Cap is reached, CMHA will create and maintain a waiting list in the order in which the requests from eligible households were received. Families will be issued vouchers in a ratio of up to 5 requests pulled per 100 families drawn from the HCV Tenant Based wait list.
- PBV to Voucher Wait List: Requests will be maintained according to date and time of voucher request from eligible households. Families will be issued vouchers in a ratio of up to 5 requests pulled per 100 families drawn from the HCV Tenant Based wait list.
- RAD to Tenant Based Assistance: Residents under the RAD PBRA provisions electing to move with a tenant based voucher, within the later of: (a) 24 months from date of execution of the HAP or (b) 24 months after the move-in date. Families will be issued vouchers in a ratio of up to 5 requests pulled per 100 families drawn from the HCV Tenant Based wait list.

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#### **I. REMOVAL FROM WAIT LIST AND PURGING [24 CFR 982.204(c)]**

It is CMHA's goal to purge the HCV wait list at least every 24 months, after the initial online opening, by mailing to applicants, at the address provided by the applicant to the HCV Program, a notice requiring the applicant to verify current information and their continued interest in the HCV program. The applicant is responsible for ensuring that CMHA's HCV Program has their most current mailing address on file. Families must submit address changes, in writing, to ensure that they receive notices from CMHA.

Any mailing which requires a response will state a deadline for response. Failure to respond by the deadline will result in the applicant's name being removed from the wait list.

Upon request from a person with a disability, additional time will be granted as a reasonable accommodation to respond to an established deadline.

If a letter is returned by the Post Office, the applicant will be removed from the wait list without further notice, and the returned envelope and letter will be maintained in the applicant's file.

If an applicant is removed from the wait list for failure to respond or returned mail, the applicant will not be entitled to reinstatement unless the HCV Director or their designee determines there were circumstances beyond the person's control to respond timely.

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## **CHAPTER 5**

### **APPLYING FOR ADMISSION AND BRIEFINGS**

[24 CFR 982.204]

#### **PHILOSOPHY**

To ensure equal opportunity and affirmatively further fair housing, CMHA will ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner.

#### **POLICY**

The primary purpose of the intake function is to gather information about the family, but CMHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the wait list in accordance with this Plan.

Upon pulling participants from the wait list, CMHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family obligations, CMHA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program, including the benefits of moving outside areas of poverty and minority concentration.

This chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the wait list and limitations on who may apply.

#### **A. OVERVIEW OF THE APPLICATION TAKING PROCESS**

CMHA will only accept pre-applications for new admission when the wait list is open (see Opening/Closing of the Wait List below) with the exception of referrals listed in Chapter 4 part B.

There are two phases to the application process, the "initial" or "pre-application" phase and the "final determination of eligibility" phase.

After the initial application is completed, it can take several months, if not years, to be pulled from the wait list to complete the "final determination of eligibility" phase of the application process. Applicants should refer to Chapter 4 to maintain their placement on the wait list.

The second phase is the "final determination of eligibility" (referred to as the full application). The second phase takes place when the family reaches the top of the wait list. It is during this final application phase that CMHA verifies all HUD and CMHA eligibility factors in order to determine the family's eligibility for the issuance of a voucher.

#### **B. OPENING/CLOSING OF THE WAIT LIST [24 CFR 982.206, 982.54(d)(1)]**

### **Opening the Wait List**

When CMHA opens the wait list, CMHA will advertise through public notice in the local media outlets including minority publications and media entities, with the location(s), and program(s) for which applications are being accepted.

The notice will contain:

The date and time when the wait list will open.

The process by which families may apply.

The program(s) for which applications will be taken.

A brief description of the program(s).

Notice that asset management residents must submit a separate application to apply.

Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. The notice will also provide potential applicants with information that includes the Housing Choice Voucher Program's address and telephone number, how to submit an application, information on eligibility requirements, and the availability of local preferences.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

### **Closing the Wait List**

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

The open period shall be long enough to achieve a wait list adequate to cover projected turnover and new allocations over the next 12 months or longer. When the period for accepting applications is over, CMHA will add those new applicants to the wait list in accordance with the procedure detailed in the chapter of this Administrative Plan titled "Establishing Preferences and Maintaining the Wait List."

\*\*\*\* Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, NED2, EHV, Mainstream, Asset Management/LIPH, Asset Management [and Touchstone](#) Services, Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, CILO and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed, consistent with 24 CFR 982.206 (c).

**C. "INITIAL" APPLICATION PROCEDURES [24 CFR 982.204(b)]**

CMHA will utilize a pre-application. The information is to be completed by the applicant whenever possible. To provide specific accommodation for persons with disabilities, the information may be completed by a staff person over the telephone.

The purpose of the pre-application is to determine preliminary rank on the wait list. The pre-application will contain at least the following information:

- Applicant name(s);
- Complete mailing address of the applicant family;
- Family unit size (number of bedrooms per CMHA subsidy standards);
- Date and time of application;
- Qualification for any local preference;
- Racial and ethnic designation of the head of household;
- Annual (gross) family income;
- Social Security Numbers of family members; and
- Birth dates of family members.

Pre-applications will not require an interview. The information on the pre-application will not be verified until the applicant has been selected from the wait list. Final eligibility will be determined when the full application process is completed and all information is verified.

**D. APPLICANT STATUS WHILE ON WAIT LIST [24 CFR 982.204]**

If after a review of the pre-application the family is determined to be preliminarily eligible, they will be notified in writing that their pre-application has been accepted and they have been placed on the wait list. Upon request from a person with a disability the family will be notified in an accessible format upon request, as a reasonable accommodation.

The notice will contain the approximate time interval that assistance may be offered, and will further explain that the estimated date is subject to factors such as turnover and available funding.

This written notification of preliminary eligibility may be mailed to the applicant by first class mail or via electronic transmission. ex. email, portal access. Upon request from a person with a disability, the information will be distributed to the applicant in an accessible format.

Applicants are required to inform CMHA, in writing, of any address change. Applicants are also required to respond to requests from CMHA to update



information on their application. Failure to respond by the specified deadline will result in their application being withdrawn from the waitlist.

If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

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

If any member of the applicant family has been terminated from CMHA's Asset Management, Mod Rehab, PBA, PBV or other Special Admissions programs, within the last three (3) years, the applicant family will be withdrawn from the HCVP wait list.

Families that obtain vouchers through methods other than CMHA's traditional HCVP admissions process will be removed from the general HCV Wait List. Examples of this include families porting into the Hamilton County jurisdiction, those receiving vouchers through an Opt-Out program or by any other means not listed.

#### **E. PULLING FROM THE WAIT LIST [24 CFR 982.204]**

CMHA will utilize a lottery system to accept a limited number of applications submitted during the opening of the tenant based wait list. CMHA will utilize a random system in ordering the names on the wait list. The random number serves as a date and time of application and is used as a tiebreaker in cases where families hold equal preference points. When funding is available, families will be selected from the wait list in the determined sequence and subject to income targeting requirements. In order to meet the income targeting requirement, CMHA will admit families who are Extremely Low Income regardless of preference in accordance with *Chapter 4 Section D* of this Administrative Plan.

Based on CMHA's turnover and the availability of funding, groups of families will be selected from the wait list to begin the verification process.

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

- If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

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~~Families who are active tenants of CMHA's asset management property may reach the top of the wait list and be called in for a briefing with a balance due to CMHA. These families will be given 90 days to pay that balance in full. These clients may have repayment agreements in effect; however, the total balance must be paid in full to continue to be eligible for the Housing Choice Voucher Program. If the balance is not paid in full before the specified deadline, the application is withdrawn from the wait list and the applicant must wait to reapply when the wait list is next opened. CMHA may enter into a repayment agreement with special and/or targeted populations in accordance with Chapter 18.~~

#### **F. COMPLETION OF A FULL APPLICATION**

Applicant families will be notified in writing that they have reached the top of the wait list. At this time, they will be asked to provide information on their income, assets and family composition to verify their eligibility for the program, along with documentation of any claimed preference.

Applicants will be required to complete a full application and sign it, unless assistance is needed or a request for accommodation is made by a person with a disability.

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

CMHA will direct families to complete the HUD Form 903 to file a complaint, and to contact the local fair housing agency.

#### **H. VERIFICATION [24 CFR 982.201(e)]**

Information provided by the applicant will be confirmed in accordance with the procedures detailed in the "Verification Procedures" chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. All requested verifications must be dated within 60-days of voucher issuance.

Failure to return requested verifications by the due date provided may result in a family's application for housing being withdrawn. If the application for housing is withdrawn, the family will have to wait until the next opening to reapply.

## **CHAPTER 6**

### **VERIFICATION PROCEDURES**

[24 CFR Part 5, Subparts B, D, E and F; 24 CFR 982.158, 24 CFR 5.617]

#### **PHILOSOPHY**

HUD regulations require the factors of eligibility and Total Tenant Payment/Family Share (TTP) be verified by CMHA. CMHA's verification requirements are designed to maintain program integrity.

#### **POLICY**

CMHA will obtain proper authorization from the family before requesting information from independent sources.

CMHA staff will use Enterprise Income Verification system (EIV) to streamline the verification of a family's income. This will be the first method of verifying and validating tenant reported information.

Applicants and program participants must provide true and complete information to CMHA whenever information is requested.

After the verification process is completed, CMHA will make a final determination of eligibility. This decision will be based upon information provided by the family, the verification completed by CMHA, and the current eligibility criteria in effect. If the family is determined to be eligible, CMHA will issue a voucher at the eligibility appointment.

This chapter explains CMHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition.

#### **A. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]**

CMHA will verify information through the five methods of verification acceptable to HUD in the following order in accordance with its verification procedures:

1. Enterprise Income Verification (EIV) as mandated by 24 CFR 5.233
2. Review of Documents
3. Third-Party Written
4. Third-Party Oral
5. Certification/Self-Declaration

Types of income that may be verified using Enterprise Income Verification (EIV).

Gross Wages and Salaries (including overtime pay, commissions, fees, tips,

bonuses, and other compensation for personal services)

Unemployment Compensation

Welfare Benefits

Social Security Benefits (including federal and state benefits, Black Lung benefits, dual benefits)

Social Security (SS)

Supplemental Security Income (SSI)

CMHA will compare EIV reported information to tenant reported information. EIV may alleviate the need for independent third-party verifications when a family does not dispute the EIV information and provides acceptable supporting documentation, such as current pay stubs, letter from employer, etc.

EIV data will be used to validate family reported income and supplement family provided documents. HUD considers an income discrepancy to be an income source not reported by a tenant, or an income source reported at a substantial income difference from EIV (\$200 per month, or \$2,400 annually). If there is no discrepancy, CMHA will use current tenant provided documentation to calculate annual income.

CMHA will request written third party verification when:

Documents provided by the family are not acceptable to CMHA;

Tenant reported information differs from EIV reported information;

Family reports of loss or reduced income for an interim recertification;

Family is unable to provide verification documents requested by CMHA; or

Family disputes EIV and one or both of the above conditions apply.

**Tenant Obligation to Supply CMHA/HUD with Information (24 CFR 960.259 & 982.551)**

The family must supply any information that CMHA or HUD determines is necessary in the administration of the program.

The family must supply any information requested by CMHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

**Rejection of Tenant Provided Documents**

CMHA may reject tenant provided documentation when:

Document provided is not an original;

Original document has been altered, mutilated, or is not legible; or

Document appears to be a forged document or does not appear to be authentic.

CMHA must analyze all data (EIV data, third-party verification and other documents/information provided by the family).

CMHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income, when the PHA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud.

CMHA will use the most current verified income data (and historical income data if appropriate) to calculate anticipated annual income.

#### **Comments**

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HUD recommends that applicant-provided documents should be dated within 60-days of the PHA interview date. For applicants, verifications may not be dated more than 60-calendar days prior to the time of voucher issuance. For participants, verifications may not be dated more than 90-calendar days old at the time of completion of recertification.

If the PHA is unable to anticipate annual income using current information due to historical fluctuations in income, the PHA may average amounts received/earned to anticipate annual income.

Note that if the tenant disputes EIV Social Security (SS)/ Supplemental Security Income (SSI) benefit data, the PHA should request the tenant to provide the PHA with a current, original Social Security Administration (SSA) notice or benefit letter within 10 business days of their interview date. The tenant may contact SSA at 1-(800) 772-1213 or visit their local SSA office.

#### **Resources for Historical Income Data:**

Social Security Earnings Statement (summary of gross earnings for each year that the participant has worked in his/her lifetime) may be obtained from the Social Security Administration. Request for this document may be done via mail or online at [www.ssa.gov](http://www.ssa.gov).

Two years of earnings may be obtained from the EIV System or local State Wage Information Collection Agency (SWICA). This information is only available to PHAs in states where the local SWICA has entered into an agreement with HUD to obtain wage and unemployment compensation data.

Last eight (8) amounts of Social Security benefits paid to a participant (or household member) may be obtained from the EIV system.

CMHA will allow seven (7) business days for return of third-party verifications before going to the next method. CMHA will document the file as to why third-party written verification was not received.

For applicants, verifications may not be dated more than 60-calendar days old at the time of voucher issuance. For participants, verifications may not be dated more than 90-calendar days old at the time of completion of recertification.

#### **Third-Party Written Verification**

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail, fax or e-mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third-party written verifications.

CMHA will accept third-party verifications in the form of computerized printouts, pay stubs and letters from the employer on employer letterhead delivered by the family from the following:

Social Security Administration	Employers
Unemployment Compensation Board	City or County Courts
Veterans Administration	Welfare Assistance
Financial Institutions	Medical Providers/Pharmacies

#### **Credit Reports**

When CMHA conducts annual/interim reviews of zero-income families, CMHA may run a credit report with a release signed by the family.

#### **Third-Party Oral Verification**

Oral third-party verification will be used when written third-party verification is delayed beyond seven (7) business days or is not possible. When third-party oral verification is used, staff will be required to initiate contact and to complete an oral verification form, noting with whom they spoke, the date of the conversation, and the facts provided.

#### **Review of Documents**

CMHA will accept tenant-provided information as the primary source, unless the provided documentation is not an original, appears to have been forged, has been mutilated or the documentation is not legible.

All such documents, excluding government checks, will be photocopied and retained in the applicant file.

CMHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

Consecutive and original pay stubs;

Social Security Administration Award Letter;  
Bank statements;  
Pension benefit statements;  
Temporary Assistance to Needy Families (TANF) Award Letter;  
Other official and authentic documents from a federal, state, or local agency;  
Computer printouts from the employer;  
Signed letters (provided that the information is confirmed by phone); and  
Other documents noted in this Chapter as acceptable verification.

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

CMHA will accept electronic documents.

CMHA will accept photocopies when appropriate.

**Self-Certification/Self-Declaration**

When verification cannot be made by EIV, third-party verification or review of documents, families will be required to submit a self-certification. Self-certification requires an affidavit certification statement under penalty of perjury.

**B. RELEASE OF INFORMATION [24 CFR 5.230]**

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

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

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

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is a family obligation to supply any information required for admission into or continued participation in the Housing Choice Voucher Program and to sign all consent forms requested by CMHA or HUD.

**C. ITEMS TO BE VERIFIED [24 CFR 982.516]**

Earned income for all adult household members, 18 years of age or older.

Unearned income for all household members (including minors).



Full-time student status including high school students who are 18 years of age or older.

Current assets including assets disposed of for less than fair market value within the past two years. (Net family assets in excess of \$5,000 must be verified by third party. Net family assets equal to or less than \$5,000 must be third party verified every three years. In the interim, program participants with net family asset equal to or less than \$5,000 are required to CMHA with a declaration of assets at each annual reexamination)

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

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

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.

Disability for determination of preferences, allowances, deductions or reasonable accommodation.

U.S. citizenship/eligible immigrant status. Social security numbers for all family members.

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

Other factors that affect the determination of adjusted income or income-based rent.

Verification of Reason for Reduction in Welfare Benefits: CMHA will use written verification from the welfare agency stating that the family's benefits have been reduced for noncompliance with the Self-Sufficiency Program when assessing the family's request for rent reduction.

**D. VERIFICATION OF INCOME [24 CFR 982.516]**

EIV will be used to verify and validate tenant reported information. This section defines some specific methods CMHA will use to verify various types of income.

For any family member with a fixed source of income, CMHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination will be 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.

Prior to utilizing this streamlined income determination, CMHA 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, then CMHA will obtain third-party verification of income amounts in order to calculate

the change in income for each fixed income source.

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

### **Employment Income**

Acceptable methods of verification include:

1. Check stubs, letter from the employer or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
2. Electronic third party vendor sources such as the Work Number.
3. W-2 forms plus income tax return forms.
4. Self-certifications and income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.
5. Electronic print-outs.

As needed, CMHA may request verification directly from the employer. The employment verification form will request the employer provide following information:

Dates of employment;

Amount and frequency of pay;

Date of the last pay increase;

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

Year to date earnings; and

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

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

In cases where there are questions about the validity of information provided by the family, CMHA will require additional information to support the information.

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

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

Acceptable methods of verification include:

1. Award or benefit notification letters prepared and signed by the providing agency.
2. Computer report electronically obtained or in hard copy.

#### **Unemployment Compensation**

Acceptable methods of verification include:

1. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
2. Payment stubs.

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

Acceptable methods of verification include:

1. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
2. Computer-generated Notice of Action.
3. Computer-generated list of recipients from the Ohio Department of Job and Family Services.

#### **Alimony or Child Support Payments**

Acceptable methods of verification include:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. A notarized letter from the person paying the support.
3. Copy of latest check and/or payment stubs from Court Trustee. CMHA must record the date, amount, and number of the check.
4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
5. Printout from child support enforcement agency or other agency responsible for collection and distribution of monies.

If payments are irregular, the family must provide one of the following:

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

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

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

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

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

Printout from child support enforcement agency or other agency responsible for collection and distribution of monies.

### **Net Income from a Business**

In order to verify the net income from a business, CMHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:

- Schedule C (Small Business)
- Schedule E (Rental Property Income)
- Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

1. Audited or unaudited financial statement(s) of the business.
2. Credit report or loan application.
3. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior 180 calendar days (or lesser period if not in business for 180 calendar days) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

### **Child Care Business**

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business. If applicant/participant is a licensed day care business with Jobs and Family Service (JFS), a printout can be accepted from JFS to confirm income.

If the applicant/participant is operating a "cash and carry" operation (which may

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

If the family has filed a tax return, the family will be required to provide it.

#### **Recurring Gifts**

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

The person who provides the gifts;

The value of the gifts;

The regularity (dates) of the gifts; and

The purpose of the gifts.

CMHA reserves the right to verify the income amount and source of the person providing the recurring gift.

#### **Zero-Income Status**

Families claiming to have no income will be required to execute income verification forms. CMHA will utilize EIV methods to verify a client's zero-income status. CMHA may also utilize credit checks to determine if there is unreported income of a household member.

#### **Full-Time Student Status**

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

Financial aid, scholarships and grants are not counted towards family income. Verification of full time student status includes:

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

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

#### **VERIFICATION OF STUDENT FINANCIAL ASSISTANCE**

Any reported financial assistance in excess of amounts received for tuition (including all mandatory educational fees) that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are eligible for or receiving HCV assistance.

For students over the age of 23 with dependent children or students residing with parents who are eligible for or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Excluded amounts are verified only if, without verification, CMHA would not be able to determine whether or to what extent the income is to be excluded.

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with HUD regulations, CMHA may request third-party written verification of both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance as well as all authorized tuition costs.

If CMHA is unable to obtain third-party written or oral verification of the requested information, CMHA will pursue other forms of acceptable verification with the family and student member.

**E. INCOME FROM ASSETS [24 CFR 982.516]**

**Bank Account Interest Income and Dividends**

Acceptable methods of verification include, in this order:

1. Account statements, passbooks, certificates of deposit, or CMHA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution provided that CMHA must adjust the information to project earnings expected for the next 12 months.
4. Self-certification of assets that generate income of less than \$5,000.00.  
(For established program participants)

**Interest Income from Mortgages or Similar Arrangements**

Acceptable methods of verification include, in this order:

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

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

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

### **F. VERIFICATION OF ASSETS**

**Applicants** – CMHA will obtain third-party verification of assets for all applicants to determine initial program eligibility.

**Participants** – During the implementation year (year one) all participants will be required to provide third party verification of all household assets. CMHA will not require participant families with net assets equal to or less than \$5,000 to submit third party asset information during the following three annual certifications, during the stated two-year period, CMHA will accept a family's declaration of household assets with a net value of less than \$5,000., without taking additional steps to verify the accuracy of the declaration. CMHA will accept a family's self-declaration of assets with a value of less than \$5,000. The participant's self-declaration must include the current value of all household assets and the income expected to be received from those assets. CMHA's reexamination documentation, which is signed by all adult family members, may serve as the household's self – declaration of assets. Where the family has net family assets equal to or less than \$5000, CMHA will not request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets.

When the participant family has net family assets in excess of \$5000, CMHA will obtain supporting documentation (as outlined below) from the family to confirm the net value and anticipated income from all assets.

#### **Family Assets**

When family assets exceed \$5,000, CMHA will require the information necessary to determine the current cash value of the family's assets (the net amount the family would receive if the asset were converted to cash). Regardless of the value of a participant family's assets, third party verification must be obtained every three years.

Acceptable verification may include any of the following:

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

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

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

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

Financial statements for business assets.

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

Appraisals of personal property held as an investment.

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

Self-certification of assets that generate income of less than \$5,000.00 (For current program participants only)

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

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

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third-party verification will be obtained wherever possible. Income that would have been generated from the disposed of asset will be considered an asset during the annual recertification for two consecutive years. Any income that would have been calculated, had the asset been retained, will be used in calculating adjusted income.

**G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**  
**[24 CFR 982.516]**

**Child Care Expenses**

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



For persons receiving services from a child-care center, written proof of monies **actually paid** to the child-care center must be received to be provided the deduction.

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

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

### **Medical Expenses**

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will not be reimbursed by insurance or a government agency.

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

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

For attendant care:

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

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

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

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

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

expenses from the previous year.

CMHA will use mileage at the IRS rate, cab fare, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

**Disability Expense** [24 CFR 5.611(c)]

In All Cases:

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

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

Attendant Care:

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

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

Auxiliary Apparatus:

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

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

**H. VERIFYING NON-FINANCIAL FACTORS** [24 CFR 5.617(b)(2)]

**Verification of Legal Identity**

In order to prevent program abuse, CMHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

Certificate of birth or naturalization papers;

Church issued baptismal certificate;

Current, valid driver's license;

U.S. military discharge (DD 214);

U.S. passport;

Voter's registration;

Company/Agency identification card;

Department of Motor Vehicles identification card/state identification card; or

Hospital records.

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

Certificate of birth;

Adoption papers;

Custody agreement;

Health and Human Services ID; or

School records.

If none of these documents can be provided, a third party who knows the person may, at CMHA's discretion, provide verification.

#### **Verification of Marital Status**

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

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

Verification of marriage status is a marriage certificate.

#### **Familial Relationships**

The following verifications will always be required if applicable:

##### **Verification of Relationship**

Official identification showing names;

Birth certificates; or

Baptismal certificates.

##### **Verification of Guardianship**

Court-ordered assignment;

Affidavit of parent;

Verification from social services agency; or school records.

##### **Verification of Permanent Absence of Family Member**

If an adult or child member who was formerly a member of the household is reported permanently absent by the family, CMHA will consider any of the

following as verification:

Husband or wife institutes divorce action. Husband or wife institutes legal separation.

Order of protection/restraining order currently active with the courts, obtained by one family member against another.

Proof of another home address, such as utility bills, canceled checks for rent, current driver's license, or current verifiable lease or rental agreement.

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

If the adult or child family member is incarcerated, a document from the court or correctional facility should be obtained stating how long they will be incarcerated. If the incarceration is due to criminal or drug related activity while a member of the household, assistance may be terminated.

If no other proof can be provided, CMHA will accept a self-certification from the head of household. If the head of household is the absent member, proof can be provided by the spouse or co-head.

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

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

#### **Verification of Disability**

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

#### **Verification of Citizenship/Eligible Immigrant Status** [24 CFR 5.508, 5.510, 5.512, 5.514]

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

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

CMHA will require citizens to provide documentation of citizenship.

Acceptable documentation will include at least one of the following original documents:

United States birth certificate;

United States passport;

Resident alien/registration card;

Social security card; or

Other appropriate documentation as determined by CMHA.

Eligible Immigrants age 62 or over are required to sign a declaration of eligible immigration status and provide proof of age.

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

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

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

#### **Failure to Provide**

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

#### **Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

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

For family members added after other members have been verified, the

verification occurs at the first recertification after the new member moves in.

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

CMHA will grant an extension not to exceed 30 calendar days for families to submit evidence of eligible immigrant status.

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

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

- Resident Alien Card (1-551)
- Alien Registration Receipt Card (1-151)
- Arrival-Departure Record (1-94)
- Temporary Resident Card (1-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified.

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

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

#### **Verification of Social Security Numbers [24 CFR 5.216]**

##### **Applicants**

CMHA will deny eligibility to an applicant if any member of the family that is required to disclose their Social Security Number does not disclose it or provide documentation of such Social Security Number. However, if the family is otherwise eligible to participate in the program, the family may maintain their position on the wait list for a period of 90 days in order to provide the missing Social Security Number for each member of the household. If there are issues beyond the family's control that prevent the Social Security Number from being obtained, CMHA may grant the family a one-time 90-day extension to comply with the Social Security Number documentation requirement.

Once the Social Security Number is obtained, the family will be placed back on the wait list based on the date and time of their original application.

HUD recognizes that homeless applicants face additional challenges in obtaining appropriate documentation of their Social Security Number. Therefore, HUD has created an exception for applicants receiving assistance under the Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals. Such applicants have 90 days after admission into the program to provide appropriate documentation.

At the expiration of the provided time period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will withdraw the family for failure to provide documentation.

### **Participants**

Individuals exempt from disclosure and verification procedures are:

Individuals who do not claim to have eligible immigration status;

Tenants age 62+ as of 1/31/10; and

Tenants who have previously disclosed a valid SSN.

For participant households adding a new household member under the age of six with no assigned SSN, the new household member will be included as a household member, under a PIC generated alternate ID number. These families will be provided 90 days to provide documentation of SSN. CMHA may extend an additional 90 days if unforeseen circumstances outside of the family's control will prevent timely disclosure of required documentation.

For participant households adding a new household member at least six years of age, or under the age of six with an assigned SSN, the family must disclose the SSN and provide documentation of the SSN to CMHA at the time of requesting the addition of the new household member. The new household member cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.

### **Acceptable Sources of Social Security Numbers**

Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided are complete and accurate:

A driver's license;

Identification card issued by a federal, state or local agency;

Identification card issued by a medical insurance company or provider (including Medicare and Medicaid);

An identification card issued by an employer or trade union; Earnings statements or payroll stubs;  
Bank statements;  
IRS Form 1099;  
Benefit award letters from government agencies;  
Retirement benefit letter;  
Life insurance policies;  
Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records; or  
Verification of benefits or social security number from Social Security Administration.

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

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable medical professional and provided to CMHA. Although CMHA may approve an additional bedroom for medical equipment if the need is documented by a health care provider, the actual equipment in the extra bedroom will be verified by CMHA during the annual inspection of the unit. If the extra bedroom is being used for its intended purpose and the individual remains at the residence where the accommodation was initially granted, reasonable accommodation will need to be re-verified every three years. If the individual moves, then the accommodation will be reassessed in accordance with Reasonable Accommodation policy. If the extra bedroom is not being used for the intended purpose, CMHA must reduce the subsidy standard and corresponding payment standard at the family's next annual recertification. CMHA may take further action, if it believes any family obligations under 24 CFR Section 982.551 were violated.

### **I. VERIFICATION OF WAIT LIST PREFERENCES [24 CFR 982.207]**

#### **Local Preferences**

**Referrals of elderly or non-elderly disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD):** This preference is available for elderly or nonelderly disabled persons referred to CMHA's HCV Wait list through LADD. CMHA will require documented referral from LADD.

**Referrals of Homeless Veterans by the Cincinnati Department of Veteran Affairs (VA) Medical Center:** This preference is for homeless veterans referred to CMHA's HCV Wait list by the Cincinnati VA Medical Center. CMHA will require documented referral from the Cincinnati VA Medical Center.

**Referrals of elderly or non-elderly disabled persons referred by the Center for Independent Living Options (CILO):** This preference is available for elderly or nonelderly disabled persons referred to CMHA's HCV Wait list through CILO. CMHA will require documented referral from CILO.



**FUP Voucher Youth maximizing out of FUP:** This preference is for HUD FUP eligible youths issued a HUD FUP voucher that has reached the 18-month maximum period of housing assistance under program rules.

**Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP):** FEMA-HUD initiative administered by HUD's network of public housing agencies (PHAs) to provide monthly rental assistance, case management services, security and utility deposit assistance for certain families displaced from their homes by a disaster. HUD verification will be required to qualify for this preference.

**Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding:** This preference applies to voucher issued by CMHA and recalled by CMHA due to insufficient funding for the HCV Program.

**Displaced preference for voucher families who have been terminated from the program as a result of insufficient funding:** This preference applies to families that were leased in a unit under a HAP Contract with CMHA and the HAP Contract was terminated by CMHA due to insufficient funding for the HCV Program.

**Displaced preference for Asset Management/LIPH families in a hard to house situation due to demo/disposition of units:** This preference applies to families residing Asset Management/LIPH units that are in need of a 4 or more bedroom unit. This preference requires a documented referral from CMHA's Asset Management program.

**Referrals for Temporary and/or Permanent Relocation Assistance from Asset Management\_Services RAD or Non-RAD unit.** This preference is for temporary or permanent relocation assistance. This preference requires a documented referral from CMHA's Asset Management Services or CMHA's Relocation Department.

**Referral from Asset Management/LIPH or Touchstone Management Services when a family or individual cannot be housed because of extenuating circumstances:** This preference applies to families residing in or applying for Asset Management/LIPH or Touchstone units that cannot be housed by the program because of extenuating circumstances as determined by CMHA. Extenuating circumstances can be but or not limited to threat of health, safety or structure; witness to or victim of a crime; etc. This preference requires a documented referral from CMHA's Asset Management program.

**Referral from the Local Homeless Coalition:** This preference applies to an individual or family, referred to CMHA by the local Homeless Coalition, who lacks a fixed, regular, and adequate nighttime residence, or needing assistance for homelessness prevention. Meaning but not limited to:

- (i) Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation
- (ii) Or Living in a shelter (designated to provide temporary living arrangements
- (iii) Or exiting an institution with no subsequent residence identified where they resided for 90 days or less AND were residing in emergency

shelter or place not meet for human habitation immediately before entering institution.

**\*\*This preference requires documented referral from the Strategies to End Homelessness.**

~~**Veteran preference:** This preference applies to families of veterans and persons serving in the active military or naval service of the United States, including families of deceased veterans or deceased persons who were so serving at the time of death will require DD214 or other official service/discharge documentation from the armed services.~~

**Youths aging out of foster care age 18-24:** This preference applies to youth aging out of foster care who can verify that they were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation. This preference will require documented referral from Lighthouse Youth Services and Hamilton County Job and Family Services.

**Referral for Mainstream Voucher:** This preference applies to a family composed of one or more non-elderly person with disabilities, which may include additional members who are not non-elderly persons with disabilities. A family where the sole member is an emancipated minor is not an eligible family.

*Institutional or other segregated settings* include, but are not limited to: (1) congregate settings populated exclusively or primarily with individuals with disabilities; (2) congregate settings characterized by regimentation in daily activities, lack of privacy or autonomy, policies limiting visitors, or limits on individuals' ability to engage freely in community activities and to manage their own activities of daily living; or (3) settings that provide for daytime activities primarily with other individuals with disabilities.

*At serious risk of institutionalization:* Includes an individual with a disability who as a result of a public entity's failure to provide community services or its cut to such services will likely cause a decline in health, safety, or welfare that would lead to the individual's eventual placement in an institution. This includes individuals experiencing lack of access to supportive services for independent living, long waiting lists for or lack of access to housing combined with community-based services, individuals currently living under poor housing conditions or homeless with barriers to geographic mobility, and/or currently living alone but requiring supportive services for independent living. A person cannot be considered at serious risk of institutionalization unless the person has a disability. An individual may be designated as at serious risk of institutionalization either by a health and human services agency, by a community-based organization, or by self-identification.

Persons currently experiencing homelessness means:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - An individual or family living in a supervised publicly or privately operated

shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or

- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that

has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

At risk of experiencing homeless: An individual or family who:

(i) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and

(ii) Meets one of the following conditions:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
- Is living in the home of another because of economic hardship;
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance;
- Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
- Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons, or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
- Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Permanent supportive housing means permanent housing in which voluntary supportive services are provided to assist homeless persons with a disability to live independently.

**Foster Youth Independence Initiative:** The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:

- Has attained at least 18 years and not more than 24 years of age;
- 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 at age 16 or older; **and**
- Is homeless<sup>[1]</sup> or is at risk of becoming homeless<sup>[2]</sup>. \*\* 40 points

<sup>[1]</sup> **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. <sup>2</sup> **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

**Referral from Cincinnati Public Schools:** This preference applies to individuals or families, referred to CMHA by Cincinnati Public Schools, who lacks a fixed, regular, and adequate residence, or needing assistance for homelessness ~~prevention~~.

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**Referral from Hamilton County Reentry Program:** This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals for voucher assistance.

## **CHAPTER 7**

### **BRIEFING AND VOUCHER ISSUANCE**

[24 CFR 982.301, 982.302]

#### **PHILOSOPHY**

CMHA's goals and objectives are designed to assure that families selected to participate for a housing program are equipped with the tools necessary to locate an acceptable housing unit.

#### **POLICY**

A full HUD-required briefing will be conducted for applicant families that have been pulled from wait list and determined to be eligible. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. They are also informed of the policies for how changes in the family composition will be handled.

#### **A. BRIEFING REQUIREMENTS [24 CFR 982.301]**

##### **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for eligible applicant families who have reached the top of the wait list. The briefings may be conducted in groups or via other oral format. Families who attend group briefings or view the briefing via an alternative oral format and still have the need for individual assistance will be referred to a housing specialist. The purpose of the briefing is to explain how the program works and the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

CMHA will not issue a voucher to a family unless the head of household, co-head, spouse or adult family representative has attended a briefing. It is the family's responsibility to complete a required session before a voucher will be issued. If the family does not complete the required briefing within 10 calendar days of the scheduled due date, CMHA will withdraw the application and remove the family from the wait list. Upon request, as a reasonable accommodation, CMHA will conduct individual briefings for families with disabilities.

##### **Initial Briefing Packet [24 CFR 982.301(b)]**

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. CMHA also includes other information and/or materials, which are not required by HUD.

The family is provided with the following information and materials:

The Housing Choice Voucher Program Tenant Handbook.

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

The HUD brochure "Fair Housing: It's Your Right," and other information about fair housing laws and guidelines and the phone numbers of the local fair housing agency and the HUD enforcement office.

The HUD pamphlet on lead-based paint "Protect Your Family from Lead in Your Home," and information about where blood level testing is available.

The HUD Tenancy Addendum for Housing Choice Voucher Program Tenant-Based Assistance Housing Choice Voucher Program.

The HUD form "Housing Discrimination Complaint."

Additional information includes: "Tenant Obligations," "Reasons for Denial or Termination of Assistance," "Your Rights for an Informal Review," "Housing Quality Standards" and information concerning program fraud.

CMHA will provide the family with information on how to obtain a listing of available units. CMHA will also provide the family information on agencies that offers housing search assistance.

The information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each neighboring housing agency for use by families who move under portability.

A map showing areas representing various income levels of the jurisdiction and surrounding areas for the purpose of expanding housing opportunities for families.

Information regarding CMHA's outreach efforts, which assist families who are interested in or experiencing difficulty in obtaining available housing in low- poverty areas.

Information describing the Housing Choice Voucher Program, including the term of the voucher and CMHA's policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how CMHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule; and how CMHA determines the maximum allowable rent for an assisted unit, including the rent reasonableness standard.

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



The CMHA Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected.

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

**B. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d) (2)]**

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

CMHA may over-issue vouchers only to the extent necessary to meet leasing goals. If CMHA finds it is over-leased, it must adjust future issuances of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

**C. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (11)]**

After being deemed eligible through completion of the verification process, an applicant family will be issued a voucher. The voucher is a contractual agreement between CMHA and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program. Admission into the HCV program occurs when the lease and contract become effective.

**Expirations**

The voucher is valid for an initial period of 90 calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the 90-day period, unless an extension has been granted by CMHA.

If the voucher has expired, and has not been extended by CMHA or expires after an extension, the family may be denied assistance. The family will not be entitled to a review or hearing regarding the expiration of a voucher.

**PLEASE NOTE:** If the family is currently assisted, they may remain as a participant in their unit if, at the time the voucher expires, there is an assisted lease/contract in effect.

**Suspensions/Voucher Toll**

When a Request for Tenancy Approval is received, CMHA will stop the clock (toll) the time of the voucher by the number of days required to process the RTA. The clock for the term of the voucher will resume upon cancellation of the RTA.

### **Extensions**

It is CMHA's practice not to extend the initial voucher term, except, as a reasonable accommodation for a disabled family. CMHA will extend the voucher term up to a term reasonably required, if the family needs and requests an extension of the initial voucher term as a reasonable accommodation to make the housing choice voucher program accessible to a family member who is a person with a disability. Extensions should be requested prior to voucher expiration. Extension requests received after a voucher expires will be reviewed and a case-by-case basis to see if the extension is warranted.

All ~~Ex~~ extensions are permissible, at the discretion of CMHA, primarily for but not limited to these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time that has affected the family's ability to find a unit within the initial 90-day period. Verification is required.
- The family was prevented from finding a unit due to disability accessibility requirements.
- The family was prevented from finding housing due to requiring a size (4) bedroom or larger unit. A search record may be part of the required verification.
- The family may have a hard time finding housing because of availability.

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An informal review or hearing will not be provided for an expiration of a voucher term.

### **Assistance to Voucher Holders**

Families who require additional assistance during their search may call CMHA. CMHA will provide the family information on resources available to assist them in their housing search. CMHA will also provide the family information on agencies that may be able to help families find units outside of areas of poverty or minority concentrations. CMHA does not maintain a property listing or provide housing search assistance directly to families.

#### **D. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS [24 CFR 982.315]**

CMHA will not "split" a voucher or issue a second voucher to a family due to a split of the household. In those instances, when a family assisted under the Housing Choice Voucher Program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the HCV Director or designee shall consider the following factors to determine which of the families will continue to be assisted:

- Which of the two new family units has custody of dependent children;
- The family composition at the time of application to the wait list;
- The composition of the new family units, and which unit contains elderly or disabled members;
- Whether domestic violence was involved in the breakup; or Recommendations of social service professionals.

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

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

If the family break-up results from an occurrence of domestic violence, dating violence, or sexual assault, or stalking as provided in 24 CFR part 5, subpart L, CMHA must ensure that the victim retains assistance.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, CMHA is bound by the court's determination of which family members continue to receive assistance in the program.

**E. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER [24 CFR 982.315]**

To be considered the remaining member of the tenant family, the person must have been previously approved by CMHA to be living in the unit and has resided in the unit 180 consecutive days prior to request to retain voucher.

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

In order for a minor child to continue to receive assistance as a remaining family member:

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

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

**F. ENCOURAGING PARTICIPATION IN LOW POVERTY AREAS**

CMHA will encourage the use of tenant-based vouchers for families to locate housing in neighborhoods that will improve opportunities for all household members, by promoting the objectives of deconcentration.

The assistance provided to such families includes working directly with staff that will assist interested families in finding housing in low-poverty neighborhoods. Their assistance may include, but is not limited, to:

- Direct contact with owner
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with owner groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.
- Implementing a Good Neighbor Program.

## **CHAPTER 8**

### **SUBSIDY STANDARDS**

[24 CFR 982.54(d)(9)]

#### **PHILOSOPHY**

HUD guidelines require that CMHA establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding.

#### **POLICY**

CMHA's subsidy standards are used for the unit size selected by the family and must be within the minimum unit size requirements of HUD's Housing Quality Standards. This Chapter explains the subsidy standards, which will be used to determine the voucher size (family unit size) for various sized families when they are selected from the wait list, as well as CMHA's procedures when a family's size changes or a family selects a unit size that is different from the voucher.

#### **A. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]**

CMHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the voucher, with the exception of a bedroom granted as a reasonable accommodation. CMHA's subsidy standards for determining voucher size shall be applied in a manner consistent with fair housing guidelines.

For subsidy standards, an adult is a person 18 years old or older.

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

Self-certification can be submitted by families who claim joint custody or temporary guardianship. However, further validation may be requested by CMHA. Some items that can be used for verification are:

- State or local government printouts;
- School verification; or
- Guardianship or adoption documents.

The parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

All standards in this section relate to the number of bedrooms on the voucher,

not the family's actual living arrangements.

One bedroom will be generally be assigned for each two family members. CMHA may consider factors such as family characteristics including sex, age, or relationship.

Consideration will also be given for medical reasons and the presence of an approved Live-In Aide.

Generally, CMHA assigns one bedroom to two people within the following guidelines:

Persons of different generations (siblings five years difference in age), adult persons of the opposite sex (other than partners), and unrelated adults should be allocated a separate bedroom.

Foster children will be included in determining unit size only if they will be in the unit for more than 180 consecutive calendar days.

Live-in Aide will generally be provided a separate bedroom. Per PIH 2014-25, a PHA may only approve one additional bedroom for a live-in aid. Although a live-in aid may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the live-in aid. If the approval of additional family members of a live-in aid would result in violation of 24 CFR 982.401 (d)(2) (ii), the additional family members of the live-in aid may not be approved.

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

Space will not be provided for a member who is away in the military.

A single pregnant woman with no other family members must be treated as a two-person family.

Single person family shall be allocated one bedroom.

**GUIDELINES FOR DETERMINING VOUCHER SIZE**

Voucher Size	PERSONS IN HOUSEHOLD	
	Minimum Number	Maximum Number
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	5	10

**B. EXCEPTIONS TO SUBSIDY STANDARDS [24 CFR 982.403(a) & (b)]**

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

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

The benefit of a larger unit size for a verified medical or health reason; or

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

CMHA will verify the continued need for the additional room as part of the recertification process every three years, if granted as a reasonable accommodation.

**Request for Exceptions to Subsidy Standards**

The family may request a larger sized voucher than indicated by CMHA's subsidy standards as a reasonable accommodation. Such request must be made in writing within 10 calendar days of CMHA's determination of bedroom size. The request must explain the need or justification for a larger number of bedrooms. Documentation verifying the need or justification will be required as appropriate.

Requests based on health-related reasons must be verified and is subject to CMHA approval.

**CMHA Error**

If CMHA errors in the bedroom size designation, the family will be issued a voucher of the appropriate size. If the family has leased a unit, the adjustment will be made at the family's next annual recertification.

**Changes for Applicants**

The voucher size is determined prior to the eligibility appointment by comparing the family composition to CMHA subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of CMHA subsidy standards, the previously referenced guidelines will apply.

**Changes for Participants**

The members of the family residing in the unit must be approved by CMHA. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform CMHA within 30 calendar days. CMHA will not adjust a family's voucher size between recertification exams unless the family is a FUP Special Admission or transferring after the initial term of the lease agreement. CMHA may deny household additions that will result in the family being overcrowded. The above referenced guidelines will apply.

**Household Changes for FUP Special Admission**

A FUP eligible family that has been provided a larger voucher size with the anticipation of a child/children being returned to the home, will have the voucher size reduced to match current household composition, if the child/children are not returned to the home within 60 days of the stated anticipated return date by HCJFS. After the family's voucher size has been reduced for this circumstance, the voucher size will not be changed until the family's next annual recertification date.

**Underhoused Families**

If a unit does not meet HQS space standards due to an increase in family size (unit too small), CMHA may issue a new voucher, at the discretion of the Director of the HCV Program or designee, of the appropriate size and assist the family in locating a suitable unit.

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

- If a family with a disability is underhoused in an accessible unit.
- If a family requires the additional bedroom because of a health problem which has been verified by CMHA.
- The family has been unable to locate a unit within 90 days.

### **Overhoused Families**

If a family size decreases and the unit size is too large for the family, CMHA will issue a new voucher to the family for an appropriate size unit at the next annual recertification. Although families are not required to move from an assisted unit when the number of bedrooms in the unit exceeds the number of bedrooms for which the family is eligible, the payment standard must conform to CMHA's subsidy standards at the family's next annual recertification or upon transfer.

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

- If a family with a disability is overhoused in an accessible unit.
- If a family requires the additional bedroom because of a health problem which has been verified by CMHA.
- The family has been unable to locate a unit within 90 days.

### **C. UNIT SIZE SELECTED [24 CFR 982.402(c)]**

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

- 1.) Subsidy Limitation: The family unit size as determined for a family under CMHA subsidy standard for a family assisted in the voucher program is based on CMHA's adopted payment standards. The payment standard for a family shall be the lower of
  - The payment standard amount for the family unit size; or
  - The payment standard amount for the unit size rented by the family.
- 2.) Utility Allowance: The utility allowance used to calculate the gross rent is determined is the lower of: (1) The utility allowance amount for the unit size for which the voucher was issued; or (2) the utility allowance amount for the unit size rented by the family. However, upon the request of a family that includes a person with disabilities, CMHA will approve a utility allowance higher than the applicable amount, if such a higher utility allowance is needed as a reasonable accommodation in accordance with HUD's regulations in 24 CFR part 8, to make the program accessible to and usable by the family member with a disability.

**Housing Quality Standards:** Units shall be occupied by families of the appropriate size. This policy maintains the usefulness of the units, while preserving them both from excessive wear and tear and under-utilization. It is also fully compliant with HUD rules related to occupancy standards.



## **CHAPTER 9**

### **FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION**

**[24 CFR Part 5, Subparts E and F; 982.153, 982.551]**

#### **PHILOSOPHY**

The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

#### **POLICY**

CMHA will use the methods, as set forth in this Administrative Plan, to verify and correctly determine family income at admission and subsequent reexaminations (annual/interim).

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation.

CMHA's policy in this Chapter addresses those areas which allow CMHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

#### **A. INCOME AND ALLOWANCES [24 CFR 5.609]**

**Income** includes all amounts, monetary or not, which are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be counted and what is to be excluded in the federal regulations. In accordance with this definition, all income which is not specifically excluded in the regulations is counted. CMHA will exclude from calculations of an individual income, any financial assistance received for mandatory fees and charges (in addition to tuition).

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

**Anticipated Annual Income**, at the time of admission, reexamination, or recertification is based on the following:

Actual income being received (projected forward for a 12-month period), or

Past actual income received or earned within the last 12 months of the determination date, as HUD may prescribe in applicable administrative instructions when:

The family reports little or no income; and

The processing entity is unable to determine annual income due to fluctuations in income (e.g., seasonal or cyclical income).

**Historical Amounts.** If CMHA is unable to determine annual income using current information because the family reports little to no income or because income fluctuates, we may average past actual income received or earned within the last 12 months before the determination date to calculate annual income. We may also request the family to provide documentation of current income. If the family can provide acceptable documentation dated either within the 60-day period preceding the determination date or the 60-day period following the request date, we may use this documentation to determine annual income.

**Rejection of documentation.** CMHA may reject any income documentation for such reason as HUD may prescribe in applicable administrative instructions.

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

HUD has five allowable deductions from annual income:

- **Dependent Deduction:** \$480 each for family members (other than the head or spouse) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
- **Elderly/Disabled Deduction:** \$400 per family for families whose head, spouse, or co-head is 62 or over or disabled.
- **Allowable Medical Expense Deduction:** deducted for all family members of an eligible elderly/disabled family.
- **Child Care Expense Deduction:** deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.
- **Allowable Disability Assistance Expense Deduction:** deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

**B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES [24 CFR 5.617, 982.201(b)(3)]**

**Inapplicability to Admission**

The earned income disallowance is only applied to determine the annual income of families who are participants in the Housing Choice Voucher Program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

**Applicability for Participants**

The annual income for a participant family may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continuing for a cumulative 24-month period. After the disabled family receives 12 cumulative months of the full exclusion, the next 12-month period will include a 50% phase-in period. During the 50% phase in period, annual income will include a phase-in of half the earned income excluded from annual income.

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

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

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

Whose annual income increases, as a result of new employment or increased earnings of a family member during or within 180 calendar days after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying OWF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such OWF benefits and services as one-time payments, wage subsidies and transportation assistance.

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

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of

assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

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

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

#### **Initial Twelve-Month Exclusion**

During the initial twelve (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, CMHA will exclude from the qualifying household member's 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 the prior income of that family member.

#### **Second Twelve-Month Exclusion and Phase-in**

Upon the expiration of the initial twelve (12) month period, and for a subsequent twelve (12) month period CMHA will exclude from the income of a qualifying household member's annual income 50% of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.

#### **Maximum Twenty-Four (24) Month Disallowance**

The earned income disallowance is limited to a lifetime of 24 straight months the time period during which a qualifying family member is eligible to receive the benefit of the earned income disregard (EID for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 24 straight month period starting from the date of the initial exclusion.

No earned income disallowance will be applied after the 24-month period following the initial date the exclusion was applied.

Participants who established eligibility for Earned Income Disallowance prior to

April 7, 2016 will continue to be governed by prior policy.

**Applicability to Child Care Expense Deductions**

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for childcare deductions.

**Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

Such documentation will include:

Date the increase in earned income was reported by the family; Name of the family member whose earned income increased;

Reason (new employment, participation in job training program, within 180 calendar days after receiving OWF) for the increase in earned income;

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

Date the increase in income is first excluded from annual income;

Date the family member has received a total of 12 months of the initial exclusion; Date the 12-month phase-in period began;

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

Ending date of the maximum 24-month (two year) disallowance period (24 months from the date of the initial determination of earned income disallowance eligibility).

CMHA will maintain a tracking system to ensure correct application of the earned income disallowance.

**C. MINIMUM RENT [24 CFR 5.616]**

**Minimum Rent**

"Minimum rent" is \$50. Minimum rent refers to the minimum TTP and includes the combined amount a family pays towards rent and/or utilities when it is applied.

### **Hardship Requests for an Exception to the Minimum Rent**

CMHA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. CMHA will review all relevant circumstances brought to CMHA's attention regarding financial hardship as it applies to the minimum rent. The following section states CMHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

A hardship exemption shall be granted to residents who can document that they are unable to pay the minimum rent because of a long-term hardship (over 120 days). Examples under which residents would qualify for the hardship exemption from the minimum rent include, but are not necessarily limited to, the following:

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

If it is determined that the hardship period was temporary, the tenant shall be required to repay any rent abated under this hardship provision.

### **CMHA Notification to Families of Right to Hardship Exception**

CMHA will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly-adjusted income, 10% of monthly income, minimum rent or welfare rent.

CMHA notification will advise families that hardship exception determinations are subject to CMHA review and hearing procedures.

CMHA will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing.

- CMHA will request documentation as proof of financial hardship.
- CMHA will use its standard verification procedures to verify circumstances which have resulted in financial hardship.

Requests for minimum rent exception must include a statement of the family hardship that qualifies the family for an exception.

### **Suspension of Minimum Rent**

CMHA will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until CMHA determines whether the hardship is:

- Covered by statute
- Temporary or long-term

"Suspension" means that CMHA must not use the minimum rent calculation until CMHA has made this decision. "Temporary" means verified to last less than 90 days. "Permanent" means lasting 90 or more days.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If CMHA determines that the minimum rent is not covered by statute, CMHA will impose a minimum rent including payment for minimum rent from the time of suspension.

### **Temporary Hardship (Lasting less than 90 days)**

If CMHA determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.

CMHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to CMHA" chapter for repayment agreement policy).

### **Long-Term Hardships (Lasting 90 or more days) [24 CFR 5.616(c)(3)]**

If CMHA determines that there is a qualifying long-term financial hardship, 90 or more days, CMHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family's request for exemption.

### **Retroactive Determination**

CMHA will reimburse the family for any minimum rent charges which took effect after July 11, 2003 that qualified for one of the mandatory exceptions.

If the family is owed a retroactive payment, CMHA will provide reimbursement in the form of a cash refund to the family.

CMHA's definition of a cash refund is a check made out to the family.

CMHA will not provide a cash refund for amounts owed to the family which are

less than \$5 and will offset the amount against future HAP payments.

**D. ABSENCES FROM THE UNIT [24 CFR 982.54(d)(10), 982.551]**

Families must notify CMHA before they move out of a unit, and must inform CMHA about any member of the household who will be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the unit for more than 30 consecutive days, the unit will be considered vacated and the HAP Contract and voucher will be terminated. To determine if the family is absent from the unit, CMHA may conduct a home visit, write letters to the family at the unit, telephone the family at the unit, interview neighbors, check with the U.S. Postal Service, and verify if utilities are in service.

If a family member leaves the unit to enter a medical facility, CMHA will seek advice from a reliable qualified source about the likelihood and timing of the family member's return. If the member will be permanently confined to a nursing home, the member will be considered permanently absent. If the family member will return in 90 days or less, the member will not be considered permanently absent.

If any family member is out of the home 90 or more consecutive days, he/she will be considered permanently absent.

If the family includes children that are temporarily absent due to placement in foster care, CMHA will determine when they will be returned home. If the children will be absent for 90 days or more, they will be removed from the certification and the unit size may be reduced.

Whenever an adult member leaves the household, the family is required to notify CMHA within 30 calendar days, whether the absence is temporary or permanent. Permanent moves from the household will trigger an interim reexamination.

**Caretaker for Children**

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, CMHA will treat that adult as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher may be transferred to the caretaker subject to CMHA's screening criteria and approval.

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

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



If custody is awarded for a limited time in excess of stated period, CMHA will state in writing that the transfer of the voucher is for that limited time or as long as they have custody of the children. CMHA will use discretion as deemed appropriate in determining any further assignation of the voucher on behalf of the children.

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

CMHA may, at its discretion, transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 60 days and it is reasonable to expect that custody will be granted.

When CMHA approves a person to reside in the unit as caretaker for the child (ren), the income will be counted pending a final disposition. CMHA will work with the appropriate service agencies and the owner to provide a smooth transition in these cases.

When the court awards custody or legal guardianship and the caretaker fails to meet CMHA's screening criteria, the HCV Director or designee can approve the transfer of the voucher to the caretaker based on screening criteria and the impact on the minor children in addition to the screening criteria to keep the family unified.

### **Visitors**

Any person, adult or child, not included on the HUD 50058 who has been in the unit more than 14 consecutive days without CMHA approval, or a total of 30 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of verifiable evidence of any other permanent address will be considered verification that the visitor is a member of the household.

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

Use of the unit address as the visitor's current residence for any purpose may be construed as permanent residence. Any official court documentation, license and/or vehicle registration, employer documentation, utilities, cable/satellite service, and phone service will serve as proof of permanent residency.

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

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 120 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor will be considered to be an eligible visitor and not a family member.

#### **Reporting Additions to Owner and CMHA**

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

Family obligations require the family to request CMHA approval to add any other family member as an occupant of the unit and to inform CMHA of the birth, adoption or court-awarded custody of a child, marriage or death of a family member. CMHA will deny the addition of a family member, with the exception of an addition by birth, adoption, court-awarded custody of a child, or marriage, if the addition will result in overcrowding.

Families are required to report any additions to the household (with the exception of newborns) in writing to CMHA 30 calendar days prior to the proposed move-in date for CMHA approval. If the family does not obtain prior written approval from CMHA, any person the family has permitted to move in will be considered an unauthorized household member, and the move in will be considered a violation of family obligations. If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations. If the family member being added to the household is 18 years old or older, mandatory background checks must be completed before CMHA will add member to the household.

An interim reexamination will be conducted for additions to the household. In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption or court awarded custody.

#### **Reporting Absences to CMHA**

Reporting changes in household composition is both a HUD and CMHA requirement. If a family member leaves the household, the family must report this change to CMHA, in writing, within 30 calendar days of the change and certify as to whether the member is temporarily absent or permanently absent. CMHA will conduct an interim evaluation for changes that affect the TTP in accordance with the interim policy. CMHA will not reduce the family's voucher size until its next annual recertification.

#### **E. ANTICIPATING/AVERAGING ANNUAL INCOME [24 CFR § 913.106 (d)]**

If it is not feasible to anticipate income for a 12-month period, CMHA may use the annualized income anticipated for a shorter period, subject to an interim adjustment at the end of the shorter period. (This method would be used for seasonal employees who are only paid for 9 months, or for tenants receiving unemployment compensation). Examples includes teachers, school bus drivers, etc.

Alternatively, CMHA may average known sources of income that vary to compute

an annual income. If there are bonuses or overtime that the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year will be used.

If, by averaging, an estimate can be made for those families whose income fluctuates from month to month; this estimate will be used so as to reduce the number of interim adjustments. The method used depends on the regularity, source and type of income.

**F. MINIMUM INCOME**

There is no minimum income requirement. Families who report zero-income may be required to undergo an interim recertification at periods determined by CMHA.

Families that report zero-income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

**G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME  
[24 CFR 982.54(d)(10)]**

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

- Exclude the income and deductions of the member if his/her income goes directly to the facility; or
- Include the income and deductions of the member if his/her income goes to a family member.

**H. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]**

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the TTP.

Any contributions or gifts received by a family member on a regular basis will be considered a "regular" contribution or gift, and will be counted as family income and subject to verification in accordance with CMHA's verification procedures. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures" chapter for further definition.)

If the family's expenses exceed its known income, CMHA will inquire of the family regarding contributions and gifts.

CMHA may require the contributor to prove their ability to provide the household with a regular contribution by requesting income verification.

**I. ALIMONY AND CHILD SUPPORT [24 CFR 5.609]**

Regular alimony and child support payments are counted as income for calculation of TTP.

If the amount of child support or alimony received is less than the amount awarded by the court, CMHA will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of item(s) below are provided.

CMHA will accept verification that the family is receiving an amount less than the award if:

CMHA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

**J. LUMP-SUM RECEIPTS [24 CFR 5.609]**

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

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

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

CMHA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

CMHA will calculate prospectively if the family reported the payment within 30 calendar days and retroactively to date of receipt if the receipt was not reported within that time frame.

**Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done

prospectively and will result in an interim adjustment calculated as follows:

The payment will be added to the annual income at the time of the interim.

If amortizing the payment over one year will cause the family to pay more than 40% of the family's adjusted income (before the lump sum was added) for TTP, CMHA and family may enter into a repayment agreement, with the approval of the Senior Program Manager or their designee, for the balance of the amount over the 40% calculation. The beginning date for this repayment agreement will start as soon as the one-year is over.

#### **Retroactive Calculation Methodology**

CMHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

At CMHA's option, CMHA may enter into a repayment agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

#### **Attorney Fees**

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

#### **K. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS [24 CFR 5.603(d)]**

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

- While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
- After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

#### **L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(d)(3)]**

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

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

CMHA's minimum threshold for counting assets disposed of for less than fair market value is \$5,000. If the total value of assets disposed of within a one-year period is less than \$100, they will not be considered an asset.

**M. CHILDCARE EXPENSES [24 CFR 5.603]**

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school, or to actively seek employment.

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

Allowance of deductions for childcare expenses is based on the following guidelines:

Childcare to work: The maximum childcare expense allowed cannot exceed the amount earned by the person enabled to work which is included in the family's annual income. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

Care for actively seeking employment: Verification of actively seeking work can be verified if he/she is participant in a program for Welfare to Work, continued collection of unemployment compensation, or other state program. Typically, adequate verification of a family member actively seeking work may consist of written or oral third party verification from a local or state government agency that governs work-related activities. The number of hours claimed for childcare may not exceed the number of hours the family member is actively seeking employment.

Amount of Expense: CMHA will provide credit for actual amount(s) verified to be paid to care provider by the family.

Childcare payments made to another on behalf of a minor who is not living in the household are not a deductible childcare expense.

Childcare expenses for a disabled family member, who is 13 years of age or older, are not deductible childcare expenses. However, the childcare expenses may be an allowable disability expense deduction.

**N. MEDICAL EXPENSES [24 CFR 5.609(a)(2), 5.603]**

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

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts.

**O. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]**

**Applicability**

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

**Prorated Assistance Calculation**

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

Prorated housing assistance does not affect contract rent to the owner. The family must pay as rent the portion of the contract rent not covered by the prorated housing assistance payment.

**P. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

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

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

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

Noncompliance with a work activities requirement.

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

The expiration of a lifetime time limit on receiving benefits; or

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

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

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

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

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

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

#### **Verification Before Denying a Request to Reduce Rent**

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

The welfare agency, at the request of CMHA, will inform CMHA of:

- Amount and term of specified welfare benefit reduction for the family;
- Reason for the reduction; and
- Subsequent changes in term or amount of reduction.

#### **Cooperation Agreements**

CMHA has a written cooperation agreement in place with the Hamilton County Department of Jobs and Family Services, the local welfare agency, which assists CMHA in obtaining the necessary information regarding welfare sanctions.

#### **Q. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS** **[24 CFR 982.153, 982.517]**

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

CMHA will use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the voucher size issued, as determined under the PHA subsidy standards.

In cases where a reasonable accommodation has been provided to a family that includes a person with disabilities, CMHA will use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.



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

CMHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

CMHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, cooking, water heating, water, sewer, trash collection, other electric, refrigerator (for tenant supplied refrigerator), range (cost of tenant-supplied range), and other specified services.

On request from a family that includes a person with disabilities, and with proper medical documentation, CMHA will approve a utility allowance which is higher than the applicable amount on the utility allowance schedule. If a higher utility allowance is needed as a reasonable accommodation to make a unit usable by the family member with a disability, then the higher allowance will be permitted.

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

The approved utility allowance schedule is given to families along with their voucher. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, CMHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 12-month period.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 982.514(b)], CMHA will provide a utility reimbursement payment for the family each month.

CMHA will not allow for any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances during the initial lease term. After the initial lease term, any change governing tenant or owner responsibilities for utilities must be approved by CMHA. Failure to comply could result in contract cancellation and possible termination from the HCV Program.

#### **R. SEASONAL EMPLOYEES**

CMHA will annualize current income and then conduct an interim reexamination when income changes. For seasonal employees such as school employees, CMHA will complete the interim decrease upon receipt of report of change from

the family. CMHA will also complete the interim increase with an effective date the employee expects to return to employment. CMHA will ensure the family is provided proper 30-day notice of rent increase.

**S. INCOME FROM ASSETS**

CMHA will count the current balances of savings and checking accounts towards assets.

## CHAPTER 10

### TENANCY APPROVAL AND CONTRACT EXECUTION [24 CFR 982.302]

#### **PHILOSOPHY**

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

#### **POLICY**

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of CMHA, or outside of CMHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) Contract with CMHA. The family must submit a *Request for Tenancy Approval* (RTA) executed by both the landlord and the family to CMHA for units to be considered for participation in the HCV Program.

This chapter defines the types of eligible housing, CMHA's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of RTA.

#### **A. REQUEST FOR TENANCY APPROVAL [24 CFR 982.302, 982.305(b)]**

CMHA will complete a criminal background check on all adult family members age 18 years old and over at annual recertification or when any new family members over 18 is added to the household. When conducting the criminal background check, CMHA will not consider a time period in excess of three years for the following:

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

CMHA may deny assistance to move or terminate program assistance, if any family member is engaged in criminal or drug related activity or has engaged in

other related program violations. Please refer to Chapter 16 "Denial of Termination of Assistance."

#### **The Request for Tenancy Approval (RTA)**

The Request for Tenancy Approval (RTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the RTA in the form and manner required by CMHA.

The RTA must be signed by both the owner and voucher holder.

CMHA will not permit the family to submit more than one RTA at a time per household. CMHA will not permit the landlord to submit more than one RTA at a time per unit.

Families currently assisted by the HCV program will not be allowed to submit an RTA prior to being issued and submitting the signed voucher. If the family submits an RTA prior to being issued and submitting a signed voucher, the RTA may be canceled. CMHA will notify the prospective landlord and family of the cancellation in writing.

CMHA will post dates and times that families may submit the RTA to its offices. CMHA will review the RTA for affordability and owner approval. Once the RTA is approved, the unit will be listed for the initial inspection. If the RTA is not approved, a cancellation notice will be sent to both the family and owner listing the reason for cancellation.

CMHA will review the RTA documents to determine whether or not they are acceptable. The unit must meet the following:

The unit is an eligible type of housing.

The unit is not currently in foreclosure or delinquent on real estate taxes without an approved repayment agreement with the Hamilton County Auditor.

The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).

The rent is reasonable and affordable.

The security deposit is approvable in accordance with any limitations in this plan.

The proposed lease complies with HUD and CMHA requirements (See "Lease Review").

The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval").

The owner has provided required documentation of a current paid water bill if the tenant is responsible for paying for the utility.

### **Cancellation of RTA**

CMHA may cancel an RTA that is not completed in its entirety or that is missing appropriate signatures and/or requested information.

If CMHA determines that the request cannot be approved for any reason, the owner and the family will be notified in writing.

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and transfer/moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" chapter of this Administrative Plan).

### **B. ELIGIBLE TYPES OF HOUSING [24 CFR 982.353]**

CMHA approval of a housing type is subject to the following conditions:

A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad or where the family is a participant in the Home Ownership Program. A family may lease in and have an interest in a cooperative housing development.

CMHA may not permit a voucher holder to lease a unit which is receiving project-based Housing Choice Voucher Program assistance or any duplicative rental subsidies.

### **C. LEASE SUBMITTAL AND REVIEW [24 CFR 982.308]**

The family and owner must submit a standard form of lease used in the locality by the owner that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law. CMHA shall require a copy of the current lease at all times for each assisted unit.

CMHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RTA.

The lease must specify all of the following:

The names of the owner and tenant;

The address of the unit rented (including apartment number, if any);

The amount of the monthly rent to owner;

The effective date of the lease must match the effective date of the HAP Contract;

The utilities services and appliances that are to be supplied by the owner; and

The utilities services and appliances to be supplied by the family.

The HUD prescribed tenancy addendum must be included or incorporated in the lease word-for-word before the lease is executed.

The owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy.

The lease must also provide that the owner may evict the family when the owner determines that:

Any household member is illegally using a drug; or

A pattern of illegal drug use by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:

Any criminal activity that threatens the health, safety or 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, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or

Any violent criminal activity on or near the premises by a tenant, household member, or guest; or

Any violent criminal activity on the premises by any other person under the tenant's control.

The lease must provide that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees.

#### **Actions Required Before HAP Contract Begins**

All of the following must always be completed before the beginning of the initial term of the HAP Contract for a unit:

CMHA has verified the property taxes are not delinquent on the unit;

CMHA has verified that the owner of record is the one completing all forms.

If there is a property management company or agent of the owner in place, CMHA has verified and received proper documentation;

CMHA has verified that there are no open work orders or requests from any governmental agency on the unit or structure;

CMHA has inspected the unit and has determined that the unit satisfies HQS;

CMHA has determined that the rent charged by the owner is reasonable;

The owner and the tenant have executed the lease, including the HUD prescribed tenancy addendum;

CMHA has approved leasing of the unit in accordance with program requirements;

When the gross rent exceeds the applicable payment standard for the family, CMHA must determine that the family share (total family contribution) will not be more than 40% of the family's monthly adjusted income.

The total monthly rental amount to owner cannot exceed the contract rent amount approved by CMHA.

CMHA has obtained a copy of the Lead Disclosure form signed by the tenant and the owner/agent (if the unit to be assisted was built prior to 1978).

**D. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]**

The owner is not required to, but may collect a security deposit from the tenant.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the limits of state and local law. In no case may the security deposit charged to an assisted tenant exceed that charged to an unassisted tenant.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

**E. SEPARATE AGREEMENTS**

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not

included in the lease if the agreement is in writing and approved by CMHA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable, customary for the local rental market, do not violate Ohio landlord/tenant law, and are not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by CMHA. If agreements are entered into at a later date, they must be approved by CMHA and attached to the lease.

CMHA will not approve separate agreements for modifications to the unit for persons with disabilities because the modifications are critical to the use of the dwelling.

**F. INITIAL INSPECTIONS [24 CFR 982.305(a) & (b)]**

See "Housing Quality Standards and Inspections" chapter of this Administrative Plan.

**G. RENT LIMITATIONS [24 CFR 982.507]**

CMHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market.

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

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by CMHA.

**H. DISAPPROVAL OF PROPOSED RENT [24 CFR 982.502]**

In any of the programs, if the proposed gross rent is not reasonable or affordable to the family (family's portion exceeds 40% of the family's gross income), CMHA will notify the owner of the affordable or reasonable rent amount and give the owner an opportunity to reduce their requested rent amount. At the family's request, CMHA will negotiate with the owner to reduce the rent amount or include some or all of the utilities in the rent to owner.



If the rent amount can be approved after negotiations with the owner, CMHA will continue processing the RTA.

If the owner does not agree on the rent after CMHA has tried and failed to negotiate a revised rent amount, CMHA will inform the family and owner that the unit is disapproved and will cancel the RTA.

**I. INFORMATION TO OWNERS [24 CFR 982.307(b), 982.54(d)(7)]**

In accordance with HUD requirements and upon written request, CMHA will furnish prospective owners with the family's current address as shown in CMHA's records and, if known to CMHA, the name and address of the owner at the family's current and prior residence.

CMHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

CMHA will inform owners that it is the responsibility of the owner to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy. CMHA's policy on release of information to prospective owners allows information to be provided orally or in writing.

Only the assigned housing specialist or a manager may provide this information. CMHA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners included in the briefing packet which is provided to the family.

CMHA will provide documented information regarding tenancy history for up to the past three years to prospective owners upon written request from the owner.

CMHA will provide the following information, based on documentation in its possession:

- Eviction history;

- Damage to rental units; and

- Other aspects of tenancy history, including criminal history for adult members of the household.

**J. OWNER DISAPPROVAL [24 CFR 982.306]**

See chapter on "Owner Disapproval and Restriction."

**K. CONTRACT EXECUTION PROCESS [24 CFR 982.305(c)]**

CMHA prepares and sends the HAP Contract, Property Owner Certification Form and Tenancy Addendum to the owner or designated agent for execution. The family and the owner will execute the lease agreement and Tenancy Addendum, and the owner or designated agent and CMHA will execute the HAP Contract and Property Owner Certification Form. The owner or designated agent will return all 4 documents to CMHA. If the documents submitted are unacceptable, a letter will be sent to the owner or designated agent with a specific reason for rejection.

Copies of the documents will be furnished to the parties who signed the respective documents. CMHA will retain a copy of all signed documents.

CMHA makes every effort to execute the HAP Contract before the commencement of the lease term. The HAP Contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract and addendums are executed and a copy of the lease agreement is provided to CMHA.

The following CMHA representative(s) is/are authorized to execute a contract on behalf of CMHA: the Senior Program Manager or designee.

Owners must provide either an Employer Identification Number or a Social Security Number.

The owner must provide a home telephone number and/or business number if applicable.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. CMHA may grant waivers of this restriction in writing as a reasonable accommodation for a family member who is a person with a disability, subject to verification that such accommodation is needed.

#### **L. PROPERTY MANAGEMENT AND LICENSEES**

As a Public Housing Agency, CMHA must comply with Ohio state laws. Ohio Revised Code 4735.01 regulates who is permitted, for a fee, to operate, manage or rent any building or portion of a building to the public as tenants.

For all new contracts effective 7/1/09 and thereafter, CMHA may review property management information to ensure that all management companies are properly licensed by the State of Ohio Department of Commerce's Division of Real Estate.

A regular employee of a property owner may engage in property management without a real estate license. A regular employee is defined under the following conditions:

The employee's income is reported on a W-2, not on a Form 1099;

The employer pays all payroll taxes;

The employer pays unemployment and workers' compensation insurance;  
and

The employer schedules the hours of work for the employee.

The above conditions allow an individual to engage in property management for a property owner without a real estate license. Otherwise, the individual will be in violation of license law and the State of Ohio Department of Commerce Division of Real Estate may initiate disciplinary action under O.R.C. 4735.052.

## **CHAPTER 11**

### **HOUSING QUALITY STANDARDS AND INSPECTIONS [24 CFR 982.401]**

#### **PHILOSOPHY**

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. The objective of the HCV Program is to assist low-income families in leasing decent, safe and sanitary housing at an affordable cost and in accordance with HUD, CMHA guidelines that includes the HQS Handbook and Standard Operating Procedures. Efforts will be made at all times to encourage owners to provide housing that exceeds HQS minimum standards. CMHA is responsible for assuring that each unit occupied by an HCV Program participant meets the HQS and CMHA guidelines.

#### **POLICY**

CMHA will inspect each unit under contract and proposed for participation with the program. CMHA will also have an inspection supervisor perform quality control inspections on the number of files required for file sampling by SEMAP annually to maintain CMHA's required standards and to assure consistency in CMHA's program.

HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP Contract.

This chapter describes CMHA's procedures for performing HQS and other types of inspections, and CMHA standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and CMHA requirements. (See additions to HQS).

CMHA may, at its discretion, choose the use of alternative inspection methods for periodic inspections, such as inspections performed by HUD, or conducted pursuant to the HOME Investment Partnerships (HOME) program or housing financed using Low-Income Housing Tax Credits (LIHTCs) for the biennial inspection. CMHA may also conduct inspections by using the Remote Virtual Inspections Process (RVI).

#### **A. GUIDELINES/TYPES OF INSPECTIONS [24 CFR 982.401(a), 982.405]**

All units must comply with all orders issued by any local governing body to enforce such local governing body's local building codes. In cases where the local governing body has issued any order preventing occupancy of the unit, the unit shall be deemed not to meet the HQS, and the unit shall be terminated from CMHA's program.

Efforts will be made at all times to encourage owners to provide housing that

exceeds HQS minimum standards and CMHA unit standards. For purposes of inspections, the term "HQS" refers to the Housing Quality Standards inspection.

All utilities must be in service prior to the inspection. If the utilities are not in service at the time of inspection, the inspector will notify the owner to have the utilities turned on. After the owner notifies CMHA that the utilities have been turned on, the inspector will schedule an inspection.

If the tenant is responsible for supplying any utilities, the utilities should be in the name of an adult member of the household. If the tenant is responsible for supplying the stove and/or the refrigerator, CMHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS criteria. CMHA will conduct a re-inspection.

There are seven types of inspections CMHA will perform:

1. Initial/Move-in Inspection
2. Biennial Inspection
3. Complaint Inspection
4. Emergency Inspection
5. Quality Control Inspection
6. Move-out/Vacancy Inspection
7. Special Inspection

**B. INITIAL HQS INSPECTION [24 CFR 982.401(a), 982.305(b)(2)]**

**Timely Initial HQS Inspection**

CMHA will inspect the unit to determine whether the unit satisfies HQS. To the greatest extent feasible, the inspection and determination will be made within fifteen days after the family and the owner submits a fully completed request for approval of the tenancy.

Utilities must be on at the time of the Initial Inspection.

CMHA will make every reasonable effort to conduct initial HQS inspections as expeditiously as possible.

The Initial Inspection will be conducted to:

- Determine if the unit and property meet HQS.
- Document the information used for determination of rent-reasonableness.

If the unit fails the initial Housing Quality Standards inspection, the owner will be

advised to notify CMHA once repairs are completed.

On an initial inspection, the owner will be given 15 days to correct the items noted as Fail. Depending on the amount and complexity of work to be done additional time may be granted. If the repairs are not completed or cannot be completed within 15 days, the request for tenancy approval may be canceled and the tenant will need to submit a new Request for Tenancy Approval to CMHA.

CMHA's HQS determinations on initial inspections are not subject to appeal. CMHA may review discrepancies and inconsistencies regarding a failed item. Owners may contact the Manager of Owner Compliance with any issues. The Manager of Owner Compliance will review the matter and take appropriate action to address the issue.

**C. BIENNIAL HQS INSPECTIONS [24 CFR 982.405(a)]**

CMHA conducts an inspection in accordance with Housing Quality Standards at least once every 24 months, as required by SEMAP. CMHA will conduct complaint, quality control or special inspections, if requested. Special inspections may be scheduled more frequently. Family responsible failed items will not be held against the owner.

HQS deficiencies, which cause a unit to fail, must be corrected by the owner unless it is a fail for which the tenant is responsible.

The owner and the family must allow CMHA to inspect the unit at reasonable times with reasonable notice, during regular business hours. It is the tenant's responsibility to ensure that the unit can be accessed for the inspection. The owner may be present for the inspection; CMHA will notify the family and owner, in writing, with a minimum notice of 14 calendar days prior to the inspection.

**Inspection:** The family and owner are notified of the date and time of the inspection appointment by mail or email.

If the tenant misses three consecutive inspection appointments, CMHA may move to terminate assistance to the family.

**Re-inspection:** The family and owner are notified of the re-inspection of appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or within 5 days after the due date for repairs. If the re-inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re-inspection regardless of the date of the reinspection. Under this situation the abatement will be canceled and payments issued to owner.

If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit and HAP abatement will occur once the "due date" for repairs expires. Once a unit goes into abatement because the owner's failure to make repairs, the family will be allowed to submit a RTA to CMHA for another unit, if there are no

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outstanding family responsible items. If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner of their intent to vacate, if they are in a month-to-month tenancy. If the family is not in a month-to month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

A pattern of repeated non-compliance with the inspection process may result in suspension or termination of an owner and/or tenant. Non-compliance includes failure to make the unit accessible for a scheduled inspection, failure to make timely repairs, and failure to comply with applicable HUD regulations and requirements of this Plan.

If new deficiencies are found (items not noted on the original annual) during the reinspection, CMHA will open a new emergency or complaint (whichever is appropriate for the deficiency) inspection and notify the owner and tenant of the new items and provide a due date for the repair of those failed items.

If the family is responsible for a breach of HQS as defined in the "Denial or Termination of Assistance" chapter of this Administrative Plan, they will be advised by CMHA of their responsibility to correct the deficiency and given a timeframe for completion of repairs.

#### **Time Standards for Repairs**

Emergency items which endanger the family's health or safety must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notification. (See "Emergency Repair Items")

For non-emergency items, repairs must be made within 30 days.

CMHA may approve an extension beyond, the original 30 days, if requested by the owner. Extensions are granted at the discretion of CMHA. Extensions will not be considered without proper documentation to support the request.

#### **D. COMPLAINT INSPECTIONS [24 CFR 982.405(c)]**

If at any time, the family or owner notifies CMHA that the unit does not meet Housing Quality Standards, CMHA will conduct an inspection within 15 days of notification of the situation for non-emergency items.

CMHA may also conduct an investigative inspection based on complaints from neighbors, public officials, or others, provided such complaints include credible allegations that an HQS violation may exist.

CMHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible

party will be required to make the necessary repairs within a reasonable time.

**Re-inspection:** The family and owner are notified of the re-inspection of failed items appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or before the due date for repairs. If the re-inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re-inspection. If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit and HAP abatement may occur once the "due date" for repairs expires.

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Once a unit goes into abatement, the family will be allowed to submit a RTA to CMHA for another unit, if there are no outstanding family responsible items. If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner, if they are in a month-to-month tenancy. If the family is not in a month-to-month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

#### **Time Standards for Repairs**

Repairs resulting from a Complaint Inspection are due within 30 days, for nonemergency items, of the notification of the deficiency to responsible party(s).

#### **E. EMERGENCY INSPECTIONS**

Emergency inspections are complaint inspections conducted when the complaint involves an exigent situation that endangers the family's health or safety (see "Emergency Repair Items"). CMHA will inspect the unit within 24 hours upon receipt of notification of the emergency situation. If the condition is life-threatening, CMHA will require the owner or family to make the repair or correct the deficiency within 24 hours.

#### **F. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]**

Quality Control inspections will be performed by the Owner Compliance Manager or their designee on the number of files required by SEMAP. The purpose of Quality Control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS.

The sampling of files will include recently completed inspections (within the prior 3 months), a cross-section of neighborhoods, and a cross-section of inspectors.



The family and owner are notified of the date and time of the inspection appointment by mail. If neither the family nor the owner is able to be present, the tenant is responsible for rescheduling the appointment at least 48 hours prior to the scheduled inspection time.

If the tenant does not contact CMHA to reschedule the inspection, or if the tenant misses two inspection appointments, CMHA may terminate assistance to the family.

**Re-inspection:** The family and/or owner are notified of the re-inspection of failed items appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or before the due date for repairs. If the re-inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re-inspection.

If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit and HAP abatement may occur once the “due date” for repairs expires.

Once a unit goes into abatement, the family will be allowed to submit a RTA to CMHA for another unit, if there are no outstanding family responsible items. If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner, if they are in a month-to-month tenancy. If the family is not in a month-to-month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

#### **Time Standards for Repairs**

Non-emergency repairs resulting from a Quality Control Inspection are due within 30 days of the notification to owner or family.

### **G. MOVE-OUT/VACATE INSPECTIONS**

This inspection type is performed participating in the program through an Emergency Housing Voucher with a contract effective date 9/1/2022 – 9/1/2023 to validate damage claims.

CMHA has developed a new Pilot Program in connection with the award of Emergency Housing Vouchers (EHV) from HUD. These EHV's are to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

EHV's are tenant-based vouchers, which operate as others in the Housing Choice

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Voucher (HCV) Program, with the exception that the funding is separate, and apart from the regular HCV program. CMHA works with the local Continuum of Care, Strategies to End Homelessness, on the administration and referral of families for EHV assistance.

While not all families that participate with an assisted housing program causes damages to a unit, the Mitigation Incentive Program allows property owners to make a claim if damages do occur, beyond normal wear and tear of a unit upon an EHV family vacating. These funds are for use where damages beyond normal wear and tear exceeds the security deposit amount for the unit. Property owners will have to request a "Move-out" inspection of the unit within 10 days of the family vacating the unit. CMHA will inspect the unit to assess the damages and determine if the damages are beyond normal wear and tear of the tenancy. After the assessment of the damages, CMHA will confirm with the owner if they are eligible to submit a claim for reimbursement of the costs of the repairs after the application of the security deposit towards the damages.

Property owners must submit the Damage Claim Request to CMHA. Property owners must have all work completed by a **licensed professional** and must submit receipts for the amounts paid. CMHA has the sole discretion in determining eligibility and approval for payment of these funds. Payments will not be made for normal wear and tear of a unit or for routine unit "make ready" costs, tools needed to repair damages, items allegedly stolen, or damages not represented in the move-in/out condition report.

If payment is approved, the property owner agrees to not pursue any other damages against the family. The request for these damages are capped at a maximum amount of \$2,500.00 per assisted family. CMHA may consider multiple claims from owners, as a lack of lease enforcement, and could influence the owner's future participation with the program. Property Managing agents make request a claim on behalf of an owner but funds will only be paid to the owner of the unit. This program is only for families with an Emergency Housing Voucher leased between 9/1/2022 – 9/1/2023 or until EHV special funding is expended.

#### **H. SPECIAL INSPECTIONS**

This inspection type is performed to follow-up on any previously passed inconclusive inspection items, to verify completion of weather related repair extensions, to verify the need for a reasonable accommodation request, to verify the occupancy of the unit by the assisted family and as needed to ensure program rules are being adhered to.

#### **I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS [24 CFR 982.401(a)]**

CMHA adheres to the acceptability criteria in the program regulations and CMHA's HQS Guidebook and Checklist. A partial list of general criteria is described below. The HCV HQS Guidebook and Checklist provides further acceptable criteria.

### **Additions**

**Smoke Detectors:** Owners are responsible for providing working smoke detectors. Tenants are responsible for replacing old batteries for battery powered units.

**Windows:** All windows shall be fully supplied with window glass that is glazed. Windows shall have sashes in good condition that fit reasonably well within frames and are capable of being easily opened and held in position by hardware, including window locks, on all floors of the unit. Windows will be maintained so as to prevent inclement weather from entering the structure. Windows must be free from cracks, missing/broken panes, with no more than 10% moisture between panes that impedes the view. Windows must open and close properly. If window security bars or security screens are present on emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

**Basement or cellar hatchways** shall be so constructed and maintained as to prevent the entrance of rodents, rain and surface drainage into the dwelling. Basement or cellar hatchways must be secured with latch or lock.

**Interior ceilings, walls, and floors shall** be maintained in good condition free of holes, large cracks, loose or deteriorated materials, or any other condition that constitutes a hazard to the occupants or is a harborage for insects or vermin, or admits water or dampness to the interior of the building. Peeling and cracked or loose plaster, decayed wood, and other defective surface conditions shall be eliminated.

Carpet can't be ripped or damaged to the point of being deemed a safety hazard. Floors cannot have missing or damaged floor tile that would create a safety hazard for the family.

**All interior stairs and railings and other exit facilities** of every structure shall be maintained in sound condition and good repair by replacing treads and risers that have evidence of excessive wear, are broken, warped and/or loose. Every inside stair shall be constructed and maintained so as to be safe to use and capable of supporting anticipated loads. Interior steps of four or more risers require a handrail.

All stair risers and tread widths should be relatively uniform in height and width throughout the entire flight of stairs to eliminate trip hazards.

**Every dwelling, cellars, basements and crawl spaces** shall be maintained reasonably free from dampness to prevent conditions conducive to decay, mold/mildew growth or deterioration of the structure. Walls must be free of deteriorating cement, paint or material that is flaking and blistering. Scraping is

required, and resealing may be necessary.

**All structures** shall be kept free from pest, insect, rodent and/or vermin infestation, and where pests, insects, rodents and/or vermin are found, they shall be properly identified and treated accordingly by acceptable processes that will not be injurious to human health. After treatment, proper precautions shall be taken to prevent reinfestation which may include an ongoing treatment plan.

**Garage Conversions/Room Additions/Structural Modifications** Any garage conversion/room additions/structural modifications converted to living space must meet local permit and code requirements. Verification with regard to local code requirements may be requested.

Structural modifications to the unit such as subdividing the unit into two separate units must meet local code requirements. The owner may be required to provide a copy of the applicable permits from the local code enforcement agency.

**Garbage and refuse** shall not be allowed to accumulate or be stored in public halls, stairways or elevators.

**Every public hall, stairway and exit way** in every multiple dwelling shall be adequately lit at all times.

**Elevators** must be certified by the appropriate public agency to be safe and in operating condition and have current proper certification on file.

**The water supply systems** shall be installed and maintained to provide at all times a supply of water to plumbing fixtures in sufficient volume and at pressures adequate to enable them to function satisfactorily.

**Fireplaces** and other construction and devices intended for use similar to a fireplace, shall be stable and structurally safe and connected to approved chimneys. If usable, the owner must provide certification by a licensed technician documenting that the fireplace was recently cleaned (within the last 12 months) and is fully operational. If the fireplace is non-usable, the owner and tenant must provide CMHA with documentation stating that the tenant will not use the fireplace.

**All smoke pipes, vent connectors, vents, flues and chimneys** shall be properly supported and securely joined, reasonably clean and maintained in such a condition that there will be no leaking or backing up of noxious gases. Duct work can only be sealed with aluminized HVAC tape.

**Deadbolts** cannot be double key locks (interior side of deadbolt lock must have thumb/turn latch).

**Walls** In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

**Windows** Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal. Window screens must be in good condition (applies only if screens are present).

**Doors** All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold. All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

**Floors** All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be secured and made level. If they cannot be leveled, they must be replaced. All floors must be in a finished state. Raw wood or unsealed concrete is not permitted. All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.

**Sinks** All sinks and commode water lines must have shut off valves, unless faucets are wall mounted. All sinks must have functioning stoppers.

**Toilets** All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

#### **Utility Service**

- Each unit must have individual meters to measure the family's consumption if they are to be responsible for certain utilities. There cannot be multiple meters for the same utility if the tenant is responsible for paying the utility.
- The owner will be responsible for paying utilities for units with centralized meters.
- Complexes that have centralized meters and have a third-party calculate actual consumption for each resident and bill the residents individually are viewed as individual meters.
- All utilities must be in service at the time of the inspection.
- Utilities must be legally connected.

**Certifications:** In instances of all inspections or inspector uncertainty, certification or documentation from a professional, licensed service technician may be required to verify the proper operating condition and soundness of such items as furnaces, water tanks, electrical and plumbing systems. This is to assure that the facility is functioning adequately and safely.

**Pest Control:** Pest, insect, rodent or vermin infestation that requires professional treatment to eliminate or control may need proper certification.

Units with bedbug infestations must be treated by a licensed exterminator. CMHA must see a copy of the results and treatment plan that will eradicate the infestation within 60 days. If CMHA does not receive a copy of the treatment plan by a licensed professional exterminator, the unit will be placed under abatement. The tenant must comply with the treatment plan or they will be proposed for termination. The owner's HAP will be abated if this policy is not adhered to.

- Owners will be responsible for pest control in apartments and duplexes.

- Tenants are responsible for pest control in Houses and Mobile Homes if explicitly specified in the lease agreement. This does not include rodent control.

Exception: If there is no evidence to suggest that the resident's Housekeeping, Sanitation, and Trash removal/storage contributed to the infestation, it will be the owner's responsibility.

**Mobile Home Requirements:** Mobile homes shall be equipped with at least one smoke detector in working condition. Mobile homes must be securely anchored by a tie down device which distributes and transfers the load imposed by the unit to appropriate ground anchors so as to resist wind overturning, and must be placed in the site in a stable manner free from hazards such as flooding, land sliding or wind damage.

**Single Family Home Requirements:**

For single family dwellings, the family must have access to garages, sheds, basements if the utility meters are present in such area. Including detached garages, sheds, etc. Additionally, the owner cannot use any part of the assisted home for personal use such as but not limited to storage.

All detached structures must be maintained in accordance with HQS and CMHA HCV HQS Guidebook.

**Unit Address:** The unit address should be clearly visible from the street or sidewalk. The address must have a mailbox to which the Postal Service will deliver mail. If there is more than one unit in the building, units should clearly be identified with the unit number on or near the primary entry door. The unit address should correlate with the Utility Service Provider's address and the United States Postal Service address. The owner is responsible for notifying CMHA of any changes to the unit's address.

**Optional Equipment:** Owner installed optional equipment may include but is not limited to dishwasher, washers, dryers, air conditioner, garbage disposal, ceiling fans, microwave, and range hood.

Owner installed optional equipment usually adds to the value of the unit and is a consideration in determination of rent reasonableness. The owner is responsible for maintaining all optional equipment in working condition. Any inoperable appliance/equipment not required by HQS must be repaired or replaced. The appliance cannot simply be removed unless the tenant has agreed in writing. Removal of the optional equipment may result in reassessment of the rent reasonableness for the unit.

**Laundry:** A gas dryer must be vented to the outdoors, shaft or crawlspace. An electric dryer is not required to be vented to the outdoors but must be properly vented to a lint trap to prevent the buildup of combustible dust and prevent excessive moisture problems like mold and mildew. The inspector will check behind the dryer whenever possible for excessive lint and dust build-up which could be a fire hazard.

**Excessive Chipping and Peeling Paint:** Regardless of the family composition, whenever excessive chipping and peeling paint allow rot of substrate, or areas of missing siding allow weather to damage the framing or sheathing or allow wind, water or moisture to penetrate the walls, the inspection will fail. Paint drips will not cause a unit to fail an inspection.

**Bedrooms below grade:** All bedrooms below grade must comply with local building code requirements.

**Carbon Monoxide:** Alarms must be installed in all units/buildings with a fuel-burning appliance system/equipment or attached garage. To be installed as follows:

- Installed in the immediate vicinity of the bedrooms in apartments served by fuel-burning appliance
- Installed inside the bedroom, IF the bedroom contains a fuel-burning appliance (i.e. water heater in bedroom closet)
- Installed in the immediate vicinity of the bedrooms in apartments with openings to a garage (door, window, etc.)

### **Modifications**

Modifications or adaptations made to a unit to accommodate a disability must meet all applicable HQS and building codes.

Extension for repair items not required by HQS may be granted for modifications/adaptations to the unit if agreed to by both the tenant and the owner. CMHA may allow execution of the HAP Contract if the unit meets all other requirements and the modifications do not affect the livability of the unit.

## **J. EMERGENCY REPAIR ITEMS [24 CFR 982.404(a)]**

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the inspector:

- Sewage backup.
- Utilities are not on (i.e. electric, gas, and/or water).
- Smoke detector missing, damaged, or missing battery.
- Carbon Monoxide detector missing, damaged, not working for units with connected garages and/or gas utilities.
- Electrical outlets and light switch covers that are missing.
- GFCI outlets that do not function properly (open grounds on GFCI are acceptable).
- Circuit breaker boxes with open slot or open knock-out hole.

- Junction boxes missing cover or open knock-outs.
- Gas stoves that do not light from the pilot.
- Improper flue connection for furnace or water heater.
- No heat when outside temperature is below 40°.
- Flooding
- Smell of gas
- Fire damage leaving the unit uninhabitable.
- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling.

The inspector will notify owners of Emergency failed items via email, the landlord portal or phone call. CMHA will make available an Emergency Self-Certification form. This form certifies that the emergency items have been repaired and must be filled out completely, must be signed by the responsible party, and must be returned to the inspector within 24 hours. Forms must be submitted in the HCV Administrative Office, via email or fax as indicated on the form. All emergency failed items will be re-inspected by CMHA. If the Self-Certification form is returned and subsequent inspection indicates that the repairs were not completed, CMHA will abate the HAP as of the original effective date.

If the emergency repair items are not corrected in the time period required by CMHA, and it is an HQS breach which is a family obligation, CMHA may terminate the assistance to the family.

**K. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)**  
**[24 CFR 982.405, 982.453]**

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by CMHA, the assistance payment to the owner will be abated.

**Abatement**

A Notice of Abatement will be sent to the owner, and the abatement will be effective the day after the repair deadline. For non-emergency repairs, the owner is given up to 30 calendar days to make the repair.

Abatements will go into effect the first of the month following the due date for repairs. If the owner makes repairs during the abatement period, payment will resume on the day prior to the date the unit passes inspection unless verifiable documentation provided by the owner shows the actual date the repairs were made. CMHA will recoup from future disbursements any amounts owed as an overpayment. Payments will be recouped from future of housing assistance payments. To avoid a hardship on the owner, for overpayments of two or more months may be paid in accordance with a repayment agreement to reimburse the



funds.

CMHA will not abate a unit if the reinspection is delayed due to scheduling as long as the unit passes on the date of the initial reinspection.

**No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS.**

The steps outlined in this chapter does not prevent CMHA from taking other necessary measures for "corrective action" when necessary.

### **Extensions**

Extensions for correcting non-life-threatening HQS deficiencies may be granted in cases where CMHA determines that the owner or family has made a good faith effort to correct the deficiencies and is unable to do so for reasons beyond their control. The length of the extension will be determined on a case-by-case basis.

Reasons for an extension may include, but are not limited to:

- An unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
- Delays due to climate conditions;
- Complexity or extensive nature of repairs which make it impossible to complete the repairs by the original due date;
- Serious illness, death, etc.

The request for an extension must be made in writing with an extension form request to the Owner Compliance Manager prior to the due date for repairs. All requests must have 3rd party documentation to be considered for approval (except for weather related requests).

For conditions that are life-threatening, the PHA cannot grant an extension to the 24-hour corrective action period.

### **Termination of Contract**

CMHA will terminate the HAP Contract when an owner fails to correct all the deficiencies cited within 90 days of the effective abatement date. Prior to the effective date of the termination, the abatement will remain in effect.

If repairs are completed before the effective termination date, the termination may be rescinded by CMHA if the tenant chooses to remain in the unit. Only one Housing Quality Standards inspection will be conducted after the termination notice is issued.

If a unit fails 3 consecutive reinspections on a unit, the result will be a final fail that may lead to termination of the HAP Contract. If a unit falls into this status, the family may need to submit a new Request for Tenancy Approval if they would like to remain in the unit. The unit will be subject to a new inspection and the owner will need to enter into a new HAP Contract for the unit. The Director of the HCV program or his/her designee can make an

exception to this requirement for extenuating circumstances.

CMHA may review HQS discrepancies and inconsistencies regarding a failed item. Owners may contact the Owner Compliance Manager with any issues. The Manager of Inspections will review the matter and take appropriate action to address the issue.

**L. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404, 982.54(d) (14)]**

Certain HQS deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service or not established in the name of an adult household member.
- Failure to provide or maintain family-supplied appliances.
- Damage to the unit or premises caused by a household member or guest that exceeds normal wear and tear. "Normal wear and tear" is defined as items that cannot be charged against the tenant's security deposit under state law or court practice
- Replacement of batteries in smoke detectors. The owner is responsible for all other HQS violations.

**M. CONSEQUENCES IF FAMILY IS RESPONSIBLE [24 CFR 982.404(b)]**

If non-emergency violations of HQS are determined to be the responsibility of the family, CMHA will normally require the family make any repair(s) or corrections within 30 calendar days. Utility shut-offs must be corrected within 24 hours. If the repair(s) or correction(s) are not made within the required time period, CMHA may terminate assistance to the family, after providing an opportunity for an informal hearing. Extensions in these cases must be approved by the Manager of Inspections or their designee. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

**N. INSPECTION APPEALS [24 CFR 982.404(b)]**

An owner or family may appeal a failed item on an inspection by contacting the Manager of Owner Compliance. Appeals will not be considered for items specifically listed in the HQS Handbook as a failed item or for deficiencies that are considered emergency health and safety risks. CMHA will review discretionary items and those that are not health and safety related.

The responsible party must make the appeal request within seven days of the failed inspection in the manner specified on the appeals form. Appeals will not be considered if not made according to method specified on the form or made untimely by an owner.

**CHAPTER 12**  
**OWNER RENTS, RENT REASONABLENESS, AND PAYMENT**  
**STANDARDS**  
**[24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]**

**PHILOSOPHY**

It is CMHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparable in the rental market, using the criteria specified in 24 CFR 982.507(b).

**POLICY**

CMHA will determine rent reasonableness in accordance with 24 CFR 982.507(a) to ensure that families pay fair and reasonable rents.

CMHA must re-determine rent reasonableness if directed by HUD and based on a need identified by CMHA's auditing system. CMHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by CMHA.

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Housing Choice Voucher Program Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the "merger date". These amendments complete the merging of the Housing Choice Voucher Program Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All Housing Choice Voucher Program participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculation methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and is not subject to interpretation.

CMHA will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is CMHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This chapter explains CMHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

**A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM**

CMHA must demonstrate that the rent to owner is reasonable in comparison to

rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, if the gross rent for the unit exceeds the applicable payment standard for the family, the family share may not exceed 40 percent of the family's monthly adjusted income.

During the initial term of the lease, the owner may not raise the rent.

#### **B. MAKING PAYMENTS TO OWNERS [24 CFR 982.451]**

Once the HAP Contract is executed, CMHA begins processing payments to the owner. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Payments are disbursed by CMHA's Finance Department to the owner each month. All Housing Assistance Payments will be directly deposited to the owner's account. It is mandatory that all owners supply CMHA with ACH information for deposits to be made. All Housing Assistance Payments (HAP) will be issued via direct deposit. CMHA will not mail an owner a HAP statement each month. HAP statements/receipts can be obtained directly from the Landlord Partner Portal for each actively participating owner with the HCV program. Owners can also access their I-1099 form via the Landlord Partner Portal. Non-active owners may request a copy of a HAP statement or I-1099 form from CMHA for a processing fee.

Housing Assistance Payments for the beginning of the month will be paid to owners when funds are received by HUD. CMHA expects to make this payment by the 5<sup>th</sup> of the month. Additional disbursements of payments may be made to owners, if funds are available.

Delays in processing payments will be promptly communicated to owners via's CMHA's website and the Landlord Partner Portal.

Exceptions may be made with the approval of the HCV Director or their designee.

When a payee reports that a payment has not been received, CMHA will investigate the report and reissue the payment if warranted on the next regularly scheduled check run.

#### **Contract Rent Adjustments**

An owner may request a rent adjustment, in writing, once every twelve months after the initial lease term. A copy of the request must be provided to the family at the same time it is provided to CMHA. Only one rent adjustment request will be processed in a 12-month period following the last effective date of a rent adjustment.

Rent adjustment requests for mid-month move-ins (e.g., September 15) will be

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granted no earlier than a year from the first of the month following move-in (e.g., October 1).

Any contract rent adjustment form that is received by CMHA prior to the expiration of the initial lease term will be rejected by CMHA. The requests will not be "stored" or "kept on file" by CMHA. The owner will need to resubmit the request at the appropriate time in order for the request to be considered.

An interim certification will be completed by CMHA effective for the first of the month following the received request. CMHA will provide a 30-day notice to the family if the adjustment increases the tenant's rental portion.

Any requested adjustment in rent will be subject to rent reasonableness requirements. See 24 CFR 982.503. If the rent assessment is lower than what the owner is currently receiving, CMHA will adjust the rent to that amount in accordance with HUD regulations.

In instances where the landlord alleges to have submitted a rent adjustment request that is not in possession of the authority, the burden of proof will lie with the landlord. Acceptable forms of proof include, but are not limited to: copy of an e-mail properly addressed to HCV staff, fax confirmation sheet, a date-stamped receipt from CMHA or a return receipt from the post office.

#### **Excess Payments**

The total of rent paid by the tenant plus CMHA's Housing Assistant Payment to the owner may not be more than the total approved rent. The owner may not demand or accept any rent payment from the tenant in excess of this total approved rent payment from the tenant unless said payment was preauthorized by CMHA. The owner must immediately return any excess payments made by or on behalf of the family to the tenant.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to CMHA" chapter of this Administrative Plan.

Owners must also promptly credit and/or refund to the tenant family any overpayments made by the family for their share of the rent. Failure to do so will be considered a program violation.

If CMHA determines that the owner is not entitled to a housing assistance payment or any part of it, CMHA will deduct the amount of the overpayment from any amounts due the owner (including amounts due under any other HCV/Section 8 assistance contract). CMHA may also elect to pursue other collections methods as permitted by law.

#### **Late Payments to Owners**

CMHA may pay a \$25 late fee to the owner for Housing Assistance Payments that are not made to the owner timely and the delay is caused by CMHA's failure

to act. A payment is considered late if not received by the owner by the 7th of the month. A payment is not late if delayed due to the timing of funds released by HUD. A late payment fee must be requested by the owner. The date the bank shows as the deposit date will be the official date of record and will be the determining factor in cases involving late payment penalties.

CMHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond CMHA's control, such as a delay in the receipt of program funds from HUD. CMHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

**C. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]**

CMHA will determine and document on a case-by-case basis that the approved rent for a unit is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

CMHA will not approve a lease until CMHA determines that the initial rent to owner is a reasonable rent. CMHA must re-determine the reasonable rent before any increase in the rent to owner, and if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

CMHA must re-determine rent reasonableness if directed by HUD and based on a need identified by CMHA's auditing system. CMHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by CMHA.

The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

**Dwelling Units In Multi-family Buildings**

Where there are eight or more units in a building, CMHA may establish the rent to owner by performing one rent reasonable assessment for each unit type. CMHA will maintain this information and use in determining the rent reasonable for each unit proposed for assistance. CMHA will intermittently review the reasonable rent for these units to ensure that the rent to owner is not more than rent charged by the owner for comparable unassisted units on the premises.

If requested, the owner must give CMHA information on rents charged by the owner for other unsubsidized units in the premises or elsewhere.

**Rent Reasonableness Methodology**

CMHA uses a web-based computer system to calculate the reasonable rent for proposed program units. The rent reasonableness database is compiled using

information gathered on unassisted rental units throughout Hamilton County by way of surveys. An analysis of the rental comparables database is used to determine the most significant indicators of rental value and to derive a formula to calculate the reasonable rent. The entire rent reasonable calculation is automated.

CMHA's Rent Reasonableness determinations are not subject to appeal. CMHA will review discrepancies regarding unit amenities or conditions to ensure the rent reasonable assessment is accurate.

CMHA will update all information on an "as needed" basis, dependent upon changing market conditions.

The data for other unassisted units may be gathered from local newspapers, Realtors, apartment guides, professional associations, inquiries from owners, market surveys, and other available sources.

#### **Rent Reasonableness Appeal**

CMHA may review assessment discrepancies regarding unit amenities, locations, quality, size or conditions to ensure the rent reasonable assessment is accurate. Owners may contact the Owner Compliance Manager with any discrepancies. The Owner Compliance Manager or his or her designee will review the matter and take appropriate action to address the concern.

#### **D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]**

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at CMHA's discretion, the Voucher Payment Standard amount is set by CMHA between 90 percent and 120 percent of the HUD published FMR. CMHA has applied for and been approved "success" payment standards as defined by HUD guidelines. CMHA reviews the appropriateness of the Payment Standards annually when the FMRs are published. In determining whether a change is needed, CMHA will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of HUD published FMRs, CMHA may approve a higher payment standard up to 120 percent of the published FMR, if required as a reasonable accommodation for a family that includes a person with disabilities. CMHA will request HUD approval for payment standards in excess of 120 percent if needed as a reasonable accommodation for a family that includes a person with a disability.

#### **E. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]**

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. CMHA will review payment standards and HUD published FMRs to ensure standards are between 90 – 120% of FMRs for the jurisdiction. CMHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

### **Assisted Families' Rent Burdens**

CMHA may review its voucher payment standard amounts to determine whether more than 40 percent of families in a particular unit size are paying more than 30 percent of their annual adjusted income for rent.

If it is determined that particular unit sizes in CMHA's jurisdiction have payment standard amounts that are creating unacceptable rent burdens for families, CMHA may modify its payment standards for those particular unit sizes.

CMHA may increase its payment standard within the basic range for those particular unit sizes to help reduce the percentage of annual income that participant families in CMHA's jurisdiction are paying.

CMHA may establish a separate voucher payment standard, within the basic range, for designated parts of its jurisdiction if it determines that a higher payment standard is needed in these designated areas to provide families with quality housing choices and to give families an opportunity to move outside areas of high poverty and low income.

### **Lowering of the Payment Standard**

CMHA's Payment Standards may be lowered:

- To maintain the payment standards within the established ranges of HUD's published FMRs;

- To more accurately reflect current area market rents; or

- To achieve maximum participant utilization based on HUD's newest budget based program funding formula.

In any case, the Payment Standard will not be set below 90 percent of the FMR without authorization from HUD. If there is a decrease in a payment standard as a result in published FMRs, CMHA will continue to use the higher payment standard used to calculate subsidy as long as the family continues to receive voucher assistance in the current unit and the payment standard does not exceed 120 percent of published FMRs. The decreased payment standard will be applied for subsidy calculation when the family moves to a new unit.

The lowered payment standards will be applied as of the effective date for all new admissions and other change of units (transfer) clients.

### **Financial Feasibility**

Before increasing the Payment Standard, CMHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, CMHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.



**File Documentation**

A file will be retained by CMHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

## **CHAPTER 13**

### **RECERTIFICATIONS**

**[24 CFR 982.516]**

#### **PHILOSOPHY**

CMHA will conduct annual recertifications to ensure that assisted families are eligible for continued assistance from the HCV program.

#### **POLICY**

In accordance with HUD requirements, CMHA will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. CMHA will run EIV reports for all annual and interim certifications. CMHA will compare information reported on the EIV report to income information reported by the family. If EIV information is disputed by the family, CMHA will request third-party verification. All annual activities will be coordinated in accordance with HUD regulations.

It is a HUD requirement that families report all changes in household composition. This Chapter defines CMHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

#### **A. ANNUAL ACTIVITIES [24 CFR 982.516, 982.405]**

CMHA must conduct on an annual basis a reexamination of participant family's income, assets and household composition. CMHA may elect to conduct a streamlined annual reexamination of participant family members with a fixed source of income (see glossary for further details) A streamlined income determination will be 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.

Prior to utilizing this streamlined income determination, CMHA 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, then CMHA will obtain third-party verification of income amounts in order to calculate the change in income for each fixed income source.

For any family member whose income is determined pursuant to a streamlined income determination, CMHA will obtain third-party verification of all income amounts upon admission into the program, upon initial receipt and every 3 years thereafter.

CMHA produces a monthly listing of units under contract to ensure that timely

reviews of housing quality and factors related to total tenant payment/family share can be made.

**B. ANNUAL /REEXAMINATION [24 CFR 982.516]**

Families are required to be recertified at least annually.

**Moves Between Reexaminations**

When families move to another dwelling unit, CMHA will process a transfer certification, "Other Change of Unit" and will not change the family's recertification anniversary date. If the family is due for an annual, the transfer will be processed as an annual certification. The RTA will be processed using the current household income verified and on file for the family. Families will not be allowed to randomly add or remove sources of income (i.e., regular contributions, temporary employment income) in order to qualify for a unit (also known as "income shopping").

**Reexamination Notice to the Family**

CMHA will maintain a reexamination tracking system and the participant family will be notified by mail, electronically and/or email of the need to complete their recertification 90 days in advance of the anniversary date. If requested as a reasonable accommodation by a person with a disability, CMHA will provide the notice in an accessible format. CMHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with a verified disability. All adult household members age 18 and over are required to complete the recertification packet in the manner determined by CMHA. If the participant family contains a minor who will reach maturity prior to the effective date of the annual certification, the certification appointment date may be delayed.

Income limits are not used as a test for continued eligibility at recertification.

**Procedure**

CMHA's procedure for conducting annual recertifications will be:

- To contact the family to alert them of the need to recertify and the documents needed with a due date to provide the information to the office. CMHA will provide a recertification packet to be completed and method(s) to submit to submit the information.
- If the family fails to submit the recertification packet and verifications to CMHA by the initial due date, a second request for the information will be made.
- If the family fails to provide the necessary documents and verifications after the 3<sup>rd</sup> and final request, the family may be proposed for termination from the program with a right to a hearing. CMHA may elect to have a family recertify in person, via mail, electronically thru CMHA's resident portal, kiosk or other method.

Exceptions to this procedure may be made by HCV Management.

### **Completion of Annual Recertification**

It is CMHA's goal to have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the effective date of the change in the family's rent change.

### **Persons with Disabilities**

Persons with disabilities who are unable to complete the recertification packet, will be granted an accommodation by conducting the interview, by mail, or home visit, upon verification that the accommodation requested meets the need presented by the disability.

### **Collection of Information [24 CFR 982.516(f)]**

CMHA has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

CMHA will allow the family to complete the recertification form.

CMHA will require the family to complete an Application for Continued Assistance prior to all recertification interviews.

### **Failure to Respond to Notification to Recertify**

If the family does not complete and submit the recertification packet and all requested verifications to CMHA by the due date, has not made prior arrangements with CMHA to return the information at a later date, CMHA may propose the family for termination of assistance from the HCV program after 3 attempts to obtain the information. If proposed for termination, the family will be offered the opportunity to request a hearing. Exceptions to these policies may be made by the HCV Management staff or designee.

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### **Documents Required From the Family**

In the notification letter to the family, CMHA will include instructions for the family to bring the following:

- Documentation of all assets with a net value greater than \$5,000 Self-Certification/Declaration of assets with a net value up to \$5,000
- Documentation of all household income
- Documentation of any deductions/allowances
- Current picture ID for every adult household member
- CMHA's HCV Program's Recertification/Transfer Application

### **Criminal Background Checks for All Adult Members of the Household**

Every Adult household member may be required to sign a release to allow CMHA to conduct an annual criminal background check at recertification. CMHA may also retrieve information available through public records to ascertain criminal

background information as needed. Any unsatisfactory criminal background check, as determined by CMHA, can result in program termination. A history of violent criminal activity, drug-related criminal activity, or if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program, would be considered unsatisfactory. CMHA will not solely rely on an arrest record as proof of criminal activity.

#### **Verification of Information**

CMHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 120 days old.

#### **Tenant Rent Increases**

If a tenant rent increases, a notice is mailed to the family at least thirty (30) days prior to the scheduled effective date of the annual recertification unless the delay was caused by the family lack of response to submit required verifications by the due date of the request for the information.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the participant family's rent increase will be effective on the first of the month following the 30-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

#### **Tenant Rent Decreases**

If tenant rent decreases for an annual recertification, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by CMHA.

#### **Moves Between Reexaminations**

When families move to another dwelling unit, CMHA will process a transfer certification, "Other Change of Unit" and will not change the family's recertification anniversary date. If the family is due for an annual, the transfer will be processed as an annual certification. The RTA will be processed using the current household income verified and on file for the family. Families will not be allowed to randomly add or remove sources of income (i.e., regular contributions, temporary employment income) in order to qualify for a unit (also known as "income shopping").

Income limits are not used as a test for continued eligibility at recertification.

### **C. REPORTING INTERIM CHANGES [24 CFR 982.516]**

Program participants must report all changes in household composition and

household income to CMHA between annual reexaminations in writing. This includes additions due to birth, adoption and court-awarded custody. The family must obtain CMHA's written approval prior to all other additions to the household.

If any new family member is added, the change reported must include any and all income of the new family member including minors.

CMHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family voucher size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular reexamination after moving into the unit.

An interim re-examination does not affect the date of the annual reexamination.

### **Interim Reexamination Policy**

CMHA will not process interim reexaminations when families have an increase in income, with the exception of following:

- All adult household members with zero income or 100% fully excluded income (24 CFR 5.609) who subsequently obtain income may be required to report within 30 calendar days and re-certify.
- A participant's unemployment benefits end and the participant has started another job.
- The composition of the household changes in any way.
- A person with income joins the household.
- A participant on layoff, temporary disability, or summer vacation (i.e. school board employee) returns to work.
- The family is a FSS program participant.
- A new source of income is reported.
- A family requests an interim determination because of changes in family composition or income.

### **Decreases in Income**

Participants may report a decrease in income, that will last a minimum of 30 days, and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. CMHA must calculate the change if a decrease in income is reported. CMHA will not process the rent adjustment unless CMHA confirms that the decrease in income will last 30 calendar days or more.

### **PHA Errors**

The family is responsible for reviewing CMHA's determination of household income, assets and expenses used in the calculation of rent, and for bringing any errors or omissions to CMHA's attention in writing within thirty (30) calendar days of receipt of the Addendum. The family will be responsible for repayment of any overpayments made on their behalf by CMHA.

If the CMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.

#### **D. OTHER INTERIM REPORTING ISSUES**

##### **Standard for Timely Reporting of Changes**

CMHA requires that families report interim changes in writing, within 30 days of when the change occurs.

If the change is not reported within the 30-day time period, it will be considered untimely reporting.

In the following circumstances, CMHA may conduct the interim recertification by mail:

- Changes that will not result in a change in tenant rent or voucher size.
- Changes in income that is normal for the family, such as seasonal employment.
- As a reasonable accommodation when requested. (See "Statement of Policies and Objectives" chapter)

Any changes reported by participants other than those listed in this section will be noted in the file by the staff person but will not be processed between regularly scheduled annual recertifications.

##### **Procedures when the change is Reported in a Timely and Untimely Manner**

CMHA will notify the family and owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

##### **Timely Reporting**

Increases in the Tenant Rent are effective on the first of the month following thirty days' notice of the change by CMHA. If a tenant submits a Mutual Termination Notice and the effective date is less than 30 days from the transfer date, the 30-day notice requirement for the rent increase for the new unit is waived.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported.

### **Untimely Reporting**

Unreported changes that would have resulted in the processing of an interim re-examination, which would increase the tenants rent, will result in a retroactive change. The family will be liable for any overpaid HAP/UAP, and may be required to sign a Repayment Agreement and/or make a lump sum payment. If an unreported change would have resulted in a decrease in tenants rent, there will be no retroactive adjustment.

When clients hand delivers verification documents, a receipt will be provided to them identifying the information submitted.

Complete verification of the circumstances applicable to rent adjustments must be documented and approved by an authorized representative of CMHA.

Exceptions to Interim Adjustments: CMHA will compute the income of persons who are self-employed by using historical data to anticipate annual income. CMHA will process an interim adjustment when it is determined that the change in self-employment income is permanent and not sporadic.

### **Zero-income Families/Minimum Rent Payers**

Persons claiming zero-income or paying minimum rent will also be asked to complete a family expense form at the time of recertification. The form will ask residents to estimate how much they spend on: telephone, cable TV, food, clothing, transportation, health care, child care, debts, household items, etc. Residents will then be asked how they pay for these items. The value of regular contributions, whether monetary or not, will be used to calculate annual adjusted household income.

### **Failure to Report Accurate Information**

If the participant is found to have misrepresented or failed to report the facts upon which his/her rent is based, including errors or omissions by CMHA, so that

the rent being paid is less than what should have been charged, then the increase in rent will be made retroactive to the date the rent should have been increased. Failure to report accurate information is also grounds for termination in accordance with CMHA's Administrative Plan.

## **E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS [24 CFR 5.615]**

CMHA will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

Fraud in connection with the welfare program, or

Noncompliance with a welfare agency's requirement to participate in an economic self-sufficiency program.



Participant's voluntary termination of benefits because they were placed under a sanction for fraud or noncompliance with a welfare agency's requirement to participate in an economic self-sufficiency program

However, CMHA will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits, or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or

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

**Definition of Covered Family**

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

**Definition of "Imputed Welfare Income"**

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by CMHA, based on written information supplied to CMHA by the welfare agency, including:

The amount of the benefit reduction

The term of the benefit reduction

The reason for the reduction

Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Senior Program Manager or their designee will review the calculation for accuracy. If the imputed welfare income amount is correct, CMHA will provide a written notice to the family that includes:

A brief explanation of how the amount of imputed welfare income was determined;

A statement that the family may request an informal hearing if they do not agree with CMHA's determination.

#### **Verification Before Denying a Request to Reduce Rent**

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

CMHA will rely on the welfare agency's written notice to CMHA regarding welfare sanctions.

#### **Cooperation Agreements [24 CFR 5.613]**

CMHA will work with the local welfare agency under which the welfare agency agrees:

- To target public assistance benefits and services to participants in CMHA's Self-Sufficiency program;
- To provide written verification to CMHA concerning welfare benefits for applicant and participant families, and specified reduction in welfare benefits for a family member, listing amount of reduction, reason for reduction, term of reduction, and subsequent redetermination.

CMHA will rely on the welfare agency's written notice regarding the amount of specified benefit reduction.

CMHA will execute a Cooperation Agreement with the local welfare agency to ensure timely and accurate verification of noncompliance.

CMHA has taken a proactive approach to culminating an effective working relationship between CMHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to Housing Choice Voucher Program tenant-based assistance families.

CMHA and the local welfare agency have mutually agreed to exchange information regarding any economic self-sufficiency and/or other appropriate programs or services that would benefit Housing Choice Voucher Program tenant-based assistance families.

#### **Family Dispute of Amount of Imputed Welfare Income**

If the family disputes the amount of imputed income and CMHA denies the family's request to modify the amount, CMHA will provide the tenant with a notice of denial, which will include:

An explanation for CMHA's determination of the amount of imputed welfare income.

A statement that the tenant may request an informal hearing.

A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be CMHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

**F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]**

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change "Recertification Addendum" is mailed to the owner and the tenant. Signatures are not required by CMHA. If the family disagrees with the rent adjustment, they may request a rent review. If after a rent review the family still disagrees with the rent adjustment, they will be provided an informal hearing.

**G. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)  
[24 CFR 982.516(c)]**

**Standard for Timely Reporting of Changes**

CMHA requires that families report interim changes to CMHA within 30 calendar days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within 30 calendar days of the change.

An exception will be made for TANF recipients who obtain employment. In such cases, families will have to report within 30 calendar days of receipt of the Notice of Action from TANF that shows the full adjustment for employment income.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

**Procedures when the Change is Reported in a Timely Manner**

CMHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent will occur effective the 1st of the month following the change provided the change is reported before the 15th day of the month. Decreases reported after the 15th day of the month will be effective the 1st of the month following the report of change. Reports received after the 15th of the month will be handled with a retroactive credit upon verification. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

The change may be implemented based on documentation provided by the

family, pending third-party written verification.

**Procedures when the Change is not Reported by the Family in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

- Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis.
- The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement.

**Procedures when the Change is Not Processed by CMHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by CMHA in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by CMHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective with payment issued to the owner/landlord, and the family credited for the amount.

**H. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]**

(See "Subsidy Standards" chapter.)

**I. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518]**

Under the Noncitizens Rule, "mixed" families are defined as families that include at least one U.S. citizen or eligible immigrant and one or more ineligible immigrants.

"Mixed" families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all of the following criteria:

Either the head of household, spouse, or co-head is a U.S. citizen or has eligible immigrant status; and

All members of the family other than the head, the spouse, parents of the head and the spouse, and children of the head or spouse are either citizens or eligible immigrants. The family may change the head of household to qualify under this provision.

**J. MISREPRESENTATION OF FAMILY CIRCUMSTANCES [24 CFR 792]**

Fraud and abuse means a single act or patterns of actions (inactions) where a participant makes a false statement, omits or conceals substantive fact, with the

intent to deceive or mislead; and said statement, omission or concealment results in a housing assistance payment in violation of Housing Choice Voucher Program requirements. This deliberate misrepresentation may result in the termination of assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

## **CHAPTER 14**

### **MOVES WITH CONTINUED ASSISTANCE/PORTABILITY**

[24 CFR 982.314, 982.353, 982.355(a)]

#### **PHILOSOPHY**

HUD regulations permit families to move with continued assistance to another unit within CMHA's jurisdiction, or to a unit outside of CMHA's jurisdiction under portability procedures.

#### **POLICY**

This chapter defines the procedures for moves both within and outside of CMHA's jurisdiction, and the policies for restriction and limitations on moves.

#### **A. ALLOWABLE MOVES**

A family may move to a new unit with continued assistance if:

The assisted lease for the old unit has terminated because CMHA has terminated the HAP Contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family, or there is a threat or risk to the personal safety of a household member.

The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family for matters not constituting a lease violation.

The family has given proper notice of lease termination (and if the family has a right to terminate the lease on notice to owner).

#### **B. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552(a)]**

If CMHA has insufficient funding to support continued assistance for participating families, it may deny a family's request to voluntarily move. CMHA will inform families submitting requests to move that voluntary moves are prohibited unless the family can show that CMHA will pay the same or a lesser amount in subsidy than the current subsidy being paid. Voluntary moves outside of the PHA's jurisdiction will not be prohibited if the receiving PHA is absorbing. Requests to take the voucher to a higher cost area may be denied. When funding is available and CMHA is allowing voluntary moves to higher cost areas, CMHA will provide such information on its website at [www.cintimha.com](http://www.cintimha.com).

Families will not be permitted to move during the initial year of assisted occupancy. The HCV Director or their designee may make exceptions to this restriction if there is a compelling reason for the move or as a reasonable accommodation to a disabled family or as is required in the Violence Against Women's Act (VAWA).

Families will not be permitted to transfer to a new unit more than once in a 12-month period. The HCV Director or their designee may make exceptions to this restriction if there is a compelling reason for the move or as a reasonable accommodation to a disabled family or as is required in the Violence Against Women's Act (VAWA).

CMHA may deny permission to move if:

The family has violated a family obligation.

The family owes an outstanding balance to CMHA or another PHA.

The family is currently under eviction or has received a notice to terminate tenancy from their current landlord for a lease violation.

Proper notification was not provided to current landlord and/or CMHA.

The family is under termination by CMHA for a program violation.

The HCV Director or his/her designee may make exceptions to these restrictions if there is a compelling reason for the move. The family will be entitled to a hearing if a request to move is denied by CMHA.

#### **C. PROCEDURE FOR MOVES [24 CFR 982.314]**

##### **Issuance of Voucher**

Subject to the restrictions on moves, if the family has been recertified within the last 12 months, CMHA will issue the voucher to move upon request from the family or abatement of a unit for owner responsible HQS deficiencies with no family responsible items to repair.

If the family does not locate a new unit within the 90-day term of the voucher, they may remain in the current unit so long as the owner permits.

##### **Notice Requirements**

The family must give the owner and CMHA the required written notice of their intent to vacate the unit as specified in the lease agreement simultaneously. If the number of days of notice is not specified in the lease, CMHA requires 30 days' notice be provided to the owner. The contract will terminate the last day of the month of the notice to allow owners a full month's notice of the termination. CMHA may provide a courtesy notice to owners that the family intend to vacate the unit. This courtesy does not negate the family's responsibility to provide proper notice to owner to vacate the unit in accordance with the lease agreement.

##### **Mutual Termination**

Requests for Mutual Termination require owner certification of agreement the request, which must not be tenant non-compliance with the lease or any non-compliance with program rules and/or regulations. This certification may be verified by the use of public records.

##### **Time of Contract Change**

A move within the same building or project, or between buildings owned by

the same owner, will be processed like any other move.

In a move, assistance stops at the old unit at the end of the month in which the tenant ceases to occupy the unit or upon effective date of termination of tenancy, unless the current unit is under abatement or approved by HCV Management. Assistance will start on the new unit on the effective date of the lease and contract after the unit has been deemed affordable, rent reasonable and has passed HQS inspection.

#### **Tenant Paid Water Bill**

When a client gives CMHA notice that they want to vacate their current unit and they are responsible for the water bill, the family must provide proof of a current, paid water bill prior to (move in) or receiving a new RTA packet for transferring. Paid means current.

#### **Families moving from the Asset Management Program**

Families transferring to the HCV program from the Asset Management program must be in good standing before CMHA will start a HAP Contract with an owner. Families must turn in keys and vacate their asset management unit within 3 days of executing lease with property owner under the voucher program.

#### **D. PORTABILITY [24 CFR 982.353]**

Portability applies to families moving out of or into CMHA's jurisdiction within the United States and its territories. CMHA prohibits more than one move (both within and outside of its jurisdiction) during any one-year period.

#### **E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]**

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside CMHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a family requests to move outside of CMHA's jurisdiction, the request must specify the area to which the family wants to move.

CMHA may restrict a family's request to port its voucher outside of CMHA's jurisdiction if the family is porting to a "higher cost area" and CMHA would be forced to terminate voucher assistance for current participants during the calendar year in order to remain within its budgetary allocation for housing assistance payments.

If there is more than one PHA in the area in which the family wants to lease a unit, CMHA will choose the receiving PHA.

~~CMHA has 5 business days to respond to portability requests submitted by families.~~

#### **Restrictions on Portability**



### **Applicants**

If neither, the head, spouse, or co-head had a legal residence in CMHA's jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher.

For a porting family that was not already receiving assistance in CMHA's tenant-based program, CMHA must determine whether the family is eligible for admission under the receiving PHA's program.

Non-resident families who were not residents of Hamilton County when application or referral was made for the voucher program or at the time of wait list pull, including those admitted through special programs or referrals, will not be permitted to move outside of Hamilton County. Non Resident will be required initially to lease a unit within the jurisdiction of CMHA for 12 months before being eligible to port out.

### **Participants**

CMHA will not permit families to exercise portability:

- If the family is in violation of a family obligation.
- If the family owes money to CMHA.
- If the family has moved out of its assisted unit in violation of the lease.
- If the family is currently under eviction or has received a notice to terminate tenancy from their current landlord for a lease violation.
- If the family is under termination by CMHA for a program violation.

## **F. INCOMING PORTABILITY [24 CFR 982.354, 982.355]**

### **Absorption or Administration**

CMHA will accept a family with a valid voucher from another jurisdiction and will either administer or absorb the voucher. If administering, the family will be issued a "portable" voucher by CMHA. The term of the voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for tenancy approval for an eligible unit to CMHA during the term of the CMHA voucher. CMHA may grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease-up in CMHA's jurisdiction, they must contact the initial PHA to request an extension.

CMHA may absorb incoming portable families provided there is funding available.

When CMHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and CMHA's policies will prevail.

For admission to the program a family must be income eligible in the area where the family initially leases a unit with assistance under the program.

CMHA does not re-determine eligibility for a portable family that was already receiving assistance in the initial PHA Housing Choice Voucher tenant-based program.

CMHA will issue a "portability voucher" according to its own Subsidy Standards. If the family has a change in family composition which would change the voucher size, CMHA will change to the proper size based on its own Subsidy Standards.

#### **Income and Total Tenant Payment of Incoming Portables [982.353(d)]**

As receiving PHA, CMHA will conduct a recertification interview but only verify missing information and information that is more than 120 days old. A change in the family's circumstances may also require updated verifications.

If CMHA conducts a recertification of the family, it will not cause a delay in the issuance of a voucher.

If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in CMHA's jurisdiction, CMHA will refuse to enter into a contract on behalf of the family at \$0 assistance.

#### **Requests for Tenancy Approval**

A briefing will be mandatory for all porting families new to the voucher program.

When the family submits a Request for Tenancy Approval, it will be processed using CMHA's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within thirty calendar days by CMHA.

If the family leases up successfully and CMHA administers the voucher, CMHA will notify the initial PHA within ten calendar days, and the billing process will commence.

CMHA will notify the initial PHA if the family fails to submit a Request for Tenancy Approval for an eligible unit within the term of the voucher. CMHA will send the 52665 form back to the initial PHA within 10 days after the expiration of the term of the voucher.

If CMHA denies assistance to the family, CMHA will notify the family and the initial PHA within ten calendar days. The family must request an informal hearing in writing within ten calendar days.

CMHA will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside CMHA's jurisdiction under continued portability.

#### **Regular Program Functions**

CMHA will perform all program functions applicable to the tenant-based assistance program, such as:

- Annual reexaminations of family income and composition;
- Biennial inspection of the unit; and

Interim examinations when requested or deemed necessary by CMHA

### **Terminations**

CMHA will notify the initial PHA in writing of any termination of assistance within ten business days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by CMHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHA notifies CMHA that the family is in arrears or the family has refused to sign a payment agreement, CMHA will terminate assistance to the family.

### **Required Documents**

CMHA will require the documents listed on the HUD Portability Billing Form from the initial PHA.

### **Billing Procedures, If CMHA Administers the Voucher**

CMHA will bill the initial PHA monthly for housing assistance payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial PHA.

CMHA will bill 100% of the housing assistance payment, 100% of special claims and 80% of the administrative fee (at the initial or receiving PHA's rate whichever is lower) for each "portability" voucher leased as of the first day of the month.

CMHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify CMHA of changes in the administrative fee amount to be billed.

## **CHAPTER 15**

### **CONTRACT TERMINATIONS**

[24 CFR 982.311; 982.314]

#### **PHILOSOPHY**

To promote a high quality housing program that promotes accountability on the part of assisted families and property owners.

#### **POLICY**

The Housing Assistance Payments (HAP) contract is the contract between the owner and CMHA which defines the responsibilities of both parties.

CMHA may terminate a HAP contract because of the owners and/or agent's action or failure to act in accordance with the terms of the Administrative Plan, program rules or the HAP Contract. CMHA will make available to owners/agents a written description of their obligations under the program, the grounds under which CMHA can deny, suspend or terminate assistance,

This chapter describes the circumstances under which the contract can be terminated by CMHA and the owner, and the policies and procedures for such terminations.

#### **A. CONTRACT TERMINATION [24 CFR 982.311]**

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and CMHA may be terminated by CMHA, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by CMHA to the owner after the month in which the contract is terminated. The owner must reimburse CMHA for any subsidies paid by CMHA for any period after the contract termination date.

##### **Contract Termination Due to Moves From the Unit By The Participant**

If the family moves out of the unit, CMHA will not make any housing assistance payments to the owner for any month after the month that the family moves out.

##### **Contract Termination Due to Death of Participant Head-of-Household**

Death of the participant head-of-household will be treated as a move from the unit and a contract termination. If there are residual members of the participant household remaining on the premises, CMHA will assess their eligibility for continued assistance. Upon the death of the participant head-of-household, the housing assistance payments to the owner will stop unless CMHA determines that the residual household members are eligible for assistance.

**Occupancy of Unit After Termination of the Housing Choice Voucher Assistance**

If the family continues to occupy the unit after the Housing Choice Voucher Program contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from CMHA for vacancy loss under the provisions of certificate HAP Contracts effective before October 2, 1995.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit.

**B. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314(c)(2)]**

Family termination of the lease must be in accordance with the terms of the lease agreement.

**C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS [24 CFR 982.314(c)(2)]**

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the term of the lease; the owner may only evict for serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;

Violations of Federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises; or other good cause.

During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do (see 24 CFR 982.310)

**Evidence of Criminal Activity**

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity: regardless of arrest or conviction. An arrest record will not solely constitute proof of criminal activity by an applicant or program participant.

### **Termination of Tenancy Decisions**

If the law and regulation permit the owner to take an action but don't require action to be taken, the owner can decide whether to take the action. Relevant circumstances for consideration include:

- The seriousness of the offense;

- The effect on the community;

- The extent of participation by household members;

- The effect on uninvolved household members;

- The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action; or

- The effect on the integrity of the program

### **Exclusion of Culpable Household Member**

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit with prior CMHA approval.

### **Consideration of Rehabilitation**

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating in the activity

- Has successfully completed a supervised drug or alcohol rehab program

- Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the three. (above).

Actions of termination by the owner must be consistent with the fair housing and equal opportunity regulations as stated in 24 CFR 5.105.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. This notice must be copied to CMHA. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

CMHA requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for CMHA's decision regarding termination of assistance.

Housing assistance payments are paid to the owner under the terms of the

HAP Contract. If the owner has begun eviction and the family continues to reside in the unit, CMHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

CMHA will continue housing assistance payments until the family moves or is evicted from the unit.

CMHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from CMHA, the owner certifies that the tenant is still in the unit, the rent is reasonable and s/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if CMHA has no other grounds for termination of assistance, CMHA may issue a new voucher so that the family can move with continued assistance.

#### **PROTECTING TENANTS AT FORECLOSURE ACT (PTFA)**

Section 703 of the PTFA amends the statute governing the Section 8 program (Section 8(o) of the U.S. Housing Act of 1937, 42 U.S.C. 1437f(o)), by revising section 8(o)(7)(C) (42 U.S.C. 1437f(o)(7)(C)) to require the following additional requirements on the owner:

During the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause, ... and in the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease vacating the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner:

- (i) will occupy the unit as a primary residence; and
- (ii) has provided the tenant a notice to vacate at least 90 days before the effective date of such notice.

Additionally, Section 703 of the PTFA revises section 8(o)(7)(F) (42 U.S.C. 1437f(o)(7)(F)), to add include:

In the case of any foreclosure on any federally-related mortgage loan [as that term is defined in section 3 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602)] or on any residential real property in which a recipient of assistance under this subsection resides, the immediate successor in interest in such property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the housing assistance payments contract between the prior owner and the Asset Management agency for the occupied unit, except that this provision and the provisions related to foreclosure in subparagraph (C) shall not affect any State

or local law that provides longer time periods or other additional protections for tenants. Under these new statutory provisions, the immediate successor in interest, which is the party gaining ownership through a foreclosure sale, becomes subject to the HAP contract, as also revised by statute, and there must be "good cause" other than vacating the property prior to sale in order to terminate the existing tenancy.

Foreclosed properties in which Section 8 voucher recipients reside must comply with

Sections 702 and 703 of the PTFA. If the immediate successor-in-interest will use the unit as a primary residence, the lease can be terminated effective on the date of the sale. In such cases, the tenant is still entitled to a minimum of 90 days' notice to vacate.

**D. TERMINATION OF THE CONTRACT BY CMHA [24 CFR 982.404(a), 982.452, 982.453, 982.454, 982.552(a)(3)]**

The term of the HAP Contract ends when the lease terminates, when C M HA terminates program assistance for the family, or when the owner has breached the HAP Contract. (See "Owner Disapproval and Restriction" chapter)

CMHA may also terminate the contract if:

CMHA terminates assistance to the family.

The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition.

Funding is no longer available under the ACC.

If the property owner or his representative has engaged in or threatened abusive or violent behavior toward a CMHA voucher holder or a member of the household;

If the property owner or his representative has engaged in or threatened abusive or violent behavior toward CMHA personnel;

"Abusive or violent behavior towards CMHA personnel or its agents" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is used to insult, intimidate, or threaten may be cause for suspension, termination, denial or prosecution.

Actual physical abuse or violence will always be cause for termination;

If the family has requested a reasonable accommodation that the owner/landlord is unable to provide the family; or

If the family has requested a transfer under the federal Violence Against Women



Act (VAWA); the contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

CMHA reserves the right to suspend or terminate a contract based on an owner's current or past unsatisfactory performance with the HCV program.

**Notice of Termination**

When CMHA terminates the HAP Contract under the violation of HQS space standards, CMHA will provide the owner and family written notice of termination of the contract, and the HAP Contract terminates at the end of the calendar month that follows the calendar month in which CMHA gives such notice to the owner.

## **CHAPTER 16**

### **DENIAL OR TERMINATION OF ASSISTANCE**

[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

#### **PHILOSOPHY**

To promote a high quality-housing program that promotes accountability on the part of assisted families and property owners.

#### **POLICY**

CMHA may deny or terminate assistance for a family because of the family's action or failure to act in accordance with the terms of the Administrative Plan, program rules or the lease agreement between the HCV landlord and tenant. CMHA will provide families with a written description of the family obligations under the program, the grounds under which CMHA can deny or terminate assistance, and CMHA's informal hearing procedures.

This chapter describes when CMHA is required to deny or terminate assistance and CMHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

#### **A. GROUND FOR DENIAL/TERMINATION [24 CFR 982.54, 982.552, 982.553]**

##### **Form of Denial/Termination**

Denial of assistance for an applicant may include any or all of the following:

- Denying placement on CMHA's wait list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a tenancy
- Refusing to process or provide assistance under portability procedures
- Rescinding of voucher due to insufficient funding

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP Contract or approve a tenancy
- Terminating housing assistance payments under an outstanding HAP Contract
- Refusing to process or provide assistance under portability procedures
- Termination of assistance due to insufficient funding

**Mandatory Denial and Termination [24 CFR 982.54(d), 982.552(b), 982.553(a), 982.553(b)]**

CMHA may terminate assistance for participants if the family is under contract and 180 days (or 12 months, depending on the HAP Contract used) have elapsed since CMHA's last housing assistance payment was made. (See "Contract Terminations" chapter.)

CMHA will permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

CMHA will deny admission to the program for applicants, and terminate assistance for program participants if CMHA determines that any household member is currently engaging in illegal use of a drug. See Section B of the chapter for CMHA's established standards.

CMHA will deny admission to the program for applicants and terminate assistance for program participants if CMHA determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for CMHA's established standards.

CMHA will deny admission to an applicant and terminate assistance for program participants if CMHA determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

CMHA will terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

CMHA will deny admission to the program for an applicant or terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.

CMHA will deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

**Grounds for Denial or Termination of Assistance [24 CFR 982.552(c)]**

CMHA will deny program assistance for an applicant or terminate program assistance for a participant for any of the following reasons:

If any family member violates any family obligation under the program as listed in Section C of this chapter [24 CFR 982.551];

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any drug-related criminal activity;

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any violent criminal activity;

Any other unsatisfactory criminal behavior by any member of the household;

If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program;

Unsatisfactory non-criminal behavior for any member of the household;

If any member of the family has had their housing assistance terminated by or has been evicted from any federally assisted housing program within the last three (3) years;

If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

If the family is not in good standing under another CMHA housing program;

If the family currently owes rent or other amounts to CMHA or to another PHA in connection with Housing Choice Voucher Program or Asset Management assistance under the 1937 Act;

CMHA at its discretion may offer the family the opportunity to enter into a repayment agreement. CMHA will prescribe the terms of the agreement. (See "Repayment Agreements" in Section A of Chapter 18;

If the family has not reimbursed any PHA 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;

If the family has engaged in or threatened abusive or violent behavior toward CMHA personnel;

"Abusive or violent behavior towards CMHA personnel or its agents" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is used to insult, intimidate, or threaten may be cause for termination, denial or prosecution.

Actual physical abuse or violence will always be cause for termination.

If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents. See Section B of this chapter;

If any member of the family commits drug-related criminal activity, or violent criminal activity; (See Section B of this chapter and 24 CFR 982.553) or

If the family fails to remedy HQS violations, that are determined to be the responsibility of the family.

Refer to Chapter 3, "Eligibility for Admission", Section F, "Other Criteria for

Admission” for further information.

#### **Notice of Termination of Assistance**

In any instance where CMHA decides to terminate assistance to the family, CMHA must give the family written notice which states:

The reason(s) for the proposed termination,

The effective date of the proposed termination,

The family’s right, if they disagree, to request an informal hearing to be held before assistance is terminated,

The date by which a written request for an informal hearing must be received by CMHA.

If CMHA proposes to terminate assistance for criminal activity as shown by a criminal record, CMHA will provide the subject of the record and the tenant with a copy of the criminal record.

CMHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

#### **Required Evidence**

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole show that the fact sought to be proven is more probable than not. The intent is not to prove criminal liability, but to establish that fact(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

CMHA will pursue fact-finding efforts as needed to obtain credible evidence. CMHA may terminate assistance for criminal activity by a household member under this section if CMHA has determined that the household member has engaged in the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

#### **Denial of Assistance for Sex Offenders**

CMHA will deny admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In screening applicants, CMHA will perform criminal history background checks to

determine whether any household member is subject to a lifetime sex offender registration requirement.

CMHA may also deny admission or terminate assistance if any member of the household is subject to other registration requirements under a State sex offender or sexual predator program.

#### **Reasonable Accommodation**

If denial or termination is based upon behavior resulting from a disability, CMHA will delay the denial or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

#### **Violence Against Women Act**

The following provisions are applicable to situations involving actual or threatened domestic violence, dating violence, or stalking, as those terms are defined in Section 6(u)(3) of the United States Housing Act of 1937, as amended, (42 U.S.C. §1437d(u)(3)) and in the Violence Against Women Act (VAWA) Policy. To the extent any provision of this section shall vary from or contradict any other provision of this Administrative Plan, the provisions of this section shall prevail. VAWA 2013 maintains VAWA 2005's housing safeguards, expands the housing programs to which the law applies and adds new protections.

- VAWA 2013's housing protections are effective now.
- HUD's final regulations implementing VAWA 2005, 75 Fed. Reg. 66,246 (October 27, 2010), continue to apply.

#### **Termination of Tenancy**

An incident or incidents of actual or threatened domestic violence, dating violence, or sexual assault, or stalking shall not constitute a serious or repeated violation of the lease by the victim of such violence; and

Criminal activity directly relating to sexual assault, domestic violence, dating violence or stalking, engaged in by a member of the Tenant's household, a guest, or other person under the Tenant's control, shall not be cause for termination of participation or occupancy rights, if the Tenant or an affiliated individual of the Tenant is a victim of that domestic violence, dating violence, or stalking.

Notwithstanding anything to the contrary contained in paragraphs 1 and 2 above, CMHA may terminate Tenant's tenancy under this lease if it can demonstrate an actual and imminent threat that may result to other tenants or to those employed at or providing service to the property in which the unit is located, if the Tenant's tenancy is not terminated.

PHA or Section 8 landlord may "bifurcate" a lease to evict a tenant who commits domestic violence while preserving the survivor's tenancy rights.

New protection for tenants remaining in housing as a result of lease bifurcation. If the individual who is evicted is the sole tenant eligible to receive the housing assistance, the PHA or landlord must provide the remaining tenant an opportunity to establish eligibility or a reasonable time to move or establish eligibility for another covered housing program.

**Options for Documentation of VAWA:**

1) Self-Certification Form implemented through HUD Form 50066 (public housing or Section vouchers) and HUD Form 91066 (project-based Section 8). Permits PHAs and owners to request certification via form approved by appropriate federal agency. This form must (1) state that the applicant or tenant is victim; (2) state that the incident is ground for protection meeting requirements under VAWA and (3) include perpetrator's name, if known and safe to provide.

2) Police, Court or Administrative Record  
Record can be from a federal, state, tribal, territorial, or local entity or administrative record.

3) Statement from Third Party  
Can be from a victim service provider, medical professional, mental health professional or attorney. Must be signed by both the third party and the survivor under penalty of perjury.

**Proving Domestic Violence: Conflicting Certifications**

In cases where 2 household members claim to be the victim and name the other household member as the perpetrator, the housing provider can require third party documentation.

**B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

**Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of CMHA to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety
- Support parental efforts to instill values of personal responsibility and hard work

- Help maintain an environment where children can live safely, learn and grow up to be productive citizens
- Assist families in their vocational/educational goals in the pursuit of self-sufficiency
- Aggressively remove non-compliant property owners and tenants from the program.

#### **Administration**

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sex or other legally protected groups.

To the maximum extent possible, CMHA will involve other community and governmental entities in the promotion and enforcement of this policy.

#### **Screening of Applicants**

In an effort to prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, CMHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household.

#### **HUD Definitions**

- *Covered person*, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
- *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).
- *Drug-related criminal activity* means 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.
- *Guest*, for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.
- *Household*, for the purposes of 24 CFR Part 982 and this chapter, means the



family and CMHA-approved Live-In Aide.

- *Other person under the tenant's control*, for the purposes of the definition of covered person and for 24 CFR Parts 5 and 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.
- *Violent criminal activity* 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.

#### **Standard for Violation**

CMHA will deny participation in the program to applicants and terminate assistance to participants in cases where CMHA determines there is reasonable cause to believe that a household member or other person under the tenant's control is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where CMHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse.

"Engaged in or engaging in" violent criminal activity means any act within the past three years by an applicant or participant or household member which involved 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, which did not result in the arrest and/or conviction of the applicant, participant, or household member.

The activity is being engaged in by any family member.

The above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, CMHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

#### **Drug Related and Violent Criminal Activity**

Ineligibility for Admission if Evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the Housing Choice Voucher Program for at least a

three-year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, CMHA determines that the circumstances leading to eviction no longer exist because the criminal household member has died or vacated the household. Applicants may be denied assistance if they, or anyone who intends to reside in the household, have been arrested, convicted, or evicted from federally assisted housing for violent criminal activity within the last three years prior to the date of the eligibility interview.

#### **Denial of Assistance for Sex Offenders**

CMHA will deny admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In screening applicants, CMHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

CMHA may also deny admission or terminate assistance if any member of the household is subject to other registration requirements under a State sex offender or sexual predator program.

#### **Termination of Assistance for Participants**

Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity:

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in:

Drug-related criminal activity, or

Violent criminal activity, or

Other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

HUD regulations at 24 CFR 982.553(b) require CMHA to establish standards for termination of assistance when this family obligation is violated. CMHA has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been:

- Arrested, convicted, or evicted for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the date of the notice to terminate assistance.
- If any member of the household violates the family obligations by engaging in

drug-related or violent criminal activity, CMHA will terminate assistance.

**Terminating Assistance for Alcohol Abuse by Household Members**

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if CMHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Assistance will be terminated if a household member is convicted for any alcohol related criminal activity on or near the premises within any six-month period.

**C. FAMILY OBLIGATIONS [24 CFR 982.551]**

The family must supply any information that CMHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release or other documentation.

The family must supply any information requested by CMHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS breach caused by the family as described in 982.404(b).

The family fails to maintain family responsible utilities.

The family must allow CMHA to inspect the unit at reasonable times and after reasonable notice.

The family may not commit any serious or repeated violations of the lease.

The family must notify the owner and, at the same time, notify CMHA before the family moves out of the unit or terminates the lease upon notice to the owner.

The family must promptly give CMHA a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by CMHA. The family must promptly inform CMHA of the birth, adoption or court awarded custody of a child. The family must request CMHA approval to add any other family member as an occupant of the unit.

The family must promptly notify CMHA if any family member no longer resides in the unit or is temporarily away from the unit for more than 30 days.

If CMHA has given approval, a foster child or a Live-In Aide may reside in the unit. If the family does not request approval or CMHA approval is denied, the family may not allow a foster child or Live-In Aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.

The family must not sublease or let the unit.

The family must not assign the lease or transfer the unit.

The family must supply any information or certification requested by CMHA to verify that the family is living in the unit, or relating to family absence from the unit, including any CMHA-requested information or certification on the purposes of family absences. The family must cooperate with CMHA for this purpose. The family must promptly notify CMHA of absence from the unit.

The family must not own or have any interest in the unit.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. An assisted family, or members of the family, may not receive Housing Choice Voucher Program tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

**Housing Authority Discretion** [24 CFR 982.552(c)]

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, CMHA has discretion to consider all of the circumstances in each case, including the seriousness of the case. CMHA will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. CMHA may also review the family's more recent history and record of compliance and the effects

that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

### **Enforcing Family Obligations**

#### Explanations and Terms

The term "promptly" when used with the family obligations always means "within ten calendar days." Denial or termination of assistance is always at the discretion of CMHA management except where this Plan or the regulations state otherwise.

#### HQS Breach

The Inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the Owner Compliance Manager.

#### Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- The number of occurrences of lease violations.

- If the owner evicts the tenant.

- If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations and CMHA concurs that the lease violations are serious and repetitive.

- If the owner notifies the family of intention to evict for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and

- If there are police reports, neighborhood complaints or other third party information, that has been verified by CMHA.

Nonpayment of rent is considered a serious violation of the lease.

### **Notification of Eviction**

If the family requests assistance to move and they did not notify CMHA of an eviction within three days of receiving the Notice of Lease Termination, the move will be denied.

### **Proposed Additions to the Family**

CMHA will deny a family's request to add additional family members who are:

- Persons who have unsatisfactory tenant history with CMHA's Asset Management program.

- Persons who have previously violated a family obligation listed in Section C of

this chapter and 24 CFR 982.51 of the HUD regulations.

Persons who have been part of a family whose assistance has been terminated under the Voucher program.

Persons who have lived as an unauthorized person in a family whose assistance has been terminated under the Voucher program.

Persons who have engaged in drug-related or violent criminal activity. Persons who do not meet CMHA's definition of family as defined in this Plan.

Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

Persons who currently owe rent or other amounts to CMHA or to another PHA in connection with Housing Choice Voucher Program or Asset Management assistance under the 1937 Act.

Persons who have engaged in or threatened abusive or violent behavior toward CMHA personnel.

#### **Family Member Moves Out**

Families are required to notify CMHA at their annual recertification, if any family member leaves the assisted household. When the family notifies CMHA, they must furnish the following information:

The date the family member moved out.

The new address, if known, of the family member.

A statement as to whether the family member is temporarily or permanently absent.

#### **Limitation on Profit-Making Activity in Unit**

Families are required to report to CMHA and owner, in advance, their intention to use the unit for a business activity.

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If CMHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If CMHA determines the business is not legal, it will be considered a program violation.

#### **Interest in Unit**

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad.

### **Fraud**

In each case, CMHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

## **D. PROCEDURES FOR NONCITIZENS [24 CFR 5.514, 5.516, 5.518]**

### **Denial or Termination due to Ineligible Immigrant Status**

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. CMHA must offer the family an opportunity for a hearing.

(See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

### **False or Incomplete Information**

When CMHA has clear, concrete, or substantial documentation (such as a student visa) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship/eligible immigrant status, CMHA will give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

CMHA will then verify eligibility status, deny, terminate, or continue assistance as applicable.

CMHA will deny or terminate assistance based on the submission of false information or misrepresentation.

### **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with CMHA either after the INS appeal or in lieu of the INS appeal.

After CMHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

## **E. ZERO (\$0) ASSISTANCE TENANCIES [24 CFR 982.455(a)]**

The family may remain in the unit at \$0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the voucher will be terminated. If, within the 180-day timeframe, an owner rent increase or a

decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, CMHA will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

**F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION**  
**[24 CFR 982.551, 982.552(c)]**

Providing the option to repay in the cases of misrepresentation is at the discretion of CMHA management. If the family has misrepresented any facts that caused CMHA to overpay assistance, CMHA may choose not to terminate and may offer to continue assistance provided that the family signs a repayment agreement and reimburses CMHA in accordance with the terms specified in the agreement.

**G. MISREPRESENTATION IN COLLUSION WITH OWNER**  
**[24 CFR 982.551, 982.552(c)]**

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, CMHA will deny or terminate assistance. This includes side deals, e.g., additional rent payments.

**H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552(c)]**

It is a Family Obligation to supply information, documentation, and certification as needed for CMHA to fulfill its responsibilities. CMHA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow CMHA to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying CMHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow CMHA to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

Briefings and Voucher Issuance

Verification Procedures

Housing Quality Standards Inspections



Recertifications

Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

Medical emergency

Family emergency

**Procedure when Appointments are Missed or Information not Provided**

For most purposes in this Plan, the family will be given two opportunities to keep a scheduled appointment before being issued a notice of termination or denial for breach of a family obligation. The family will have a right to a hearing in regard to the notice of termination. Exceptions may be made by the HCV program Director or designee if the family has extenuating circumstances as to why the appointments were missed.

**I. TERMINATIONS OF PARTICIPANTS FOR INSUFFICIENT FUNDING [24 CFR 982.454]**

Federal regulations provide that a PHA may terminate HAP Contracts, in accordance with HUD requirements, if the PHA determines that funding under the Annual Contributions Contract is insufficient to support continued assistance for families in the program. Before terminating HAP Contracts on the basis of insufficient funding, the CMHA will ensure that it has carefully considered all cost-savings measures and the impact such terminations will likely have on program participants.

**CURRENTLY ASSISTED HCV FAMILIES**

If CMHA determines that it does not have sufficient funding to support continued assistance for families in the program, it will terminate the HAP contract for families by utilizing a lottery system to select a specific number of families active in the program. Excluding elderly and disabled households, contracts will be terminated via the random lottery method until funding is sufficient to support continued assistance for the remaining families. CMHA will give both the families and owners no less than 60-day advance notice of this action. Families whose contracts were terminated due to lack of funding will be eligible for assistance again as funds become available based on their admission date. Families with the earliest admission dates will be placed back on the wait list first.

Families terminated from the program due to "insufficient funding" will receive priority to be readmitted to the program before project-based families may move with tenant-based assistance and before new applicants are selected from the HCV wait list. At the time a family is terminated as a result of insufficient funding, CMHA will add them to the HCV wait list even if the wait list is closed. These families will be given 80 preference points. Families must submit address

changes in writing to ensure that they receive notices from CMHA. Families failing to do so will not be eligible for readmission to the program under this clause.

Families will be readmitted to the HCV program in order based on their original admission date. Families with the earliest admission dates will be the first to be readmitted. CMHA will verify income eligibility and conduct a criminal background check for all adult household members before a new voucher is issued.

HAP Contracts will not be terminated in cases where families were residing in housing subject to disposition, pre-payment or opt-out and the family chose to receive a tenant based voucher and was admitted to the HCV program within the past 12 months. If these families were admitted to the HCV program more than 12 months prior to consideration of termination, their contract may be terminated as a result of insufficient funds.

## **CHAPTER 17**

### **OWNER DISAPPROVAL AND RESTRICTION**

[24 CFR 982.54, 982.306, 982.4531]

#### **PHILOSOPHY**

If an owner has committed fraud or abuse or is guilty of serious contract violations or other gross unprofessional conduct, CMHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The owner does not have a right to participate in the program.

#### **POLICY**

CMHA will recruit owners to participate in the voucher program. CMHA will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of CMHA.

This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

#### **A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54(d)(8)]**

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

CMHA may disapprove the owner for the following reasons:

HUD or another government agency has informed CMHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed CMHA that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.

HUD has informed CMHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. CMHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability. In cases where the owner and tenant bear the same last name, CMHA may, at its discretion, require the family and/or owner to certify whether they are related to each other in any way.

CMHA may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.

The owner fails to submit and/or update Housing Choice Voucher Program Owner Registration, listing the names and current addresses of all individuals having an ownership interest in the property, regardless of the legal entity that may hold title.

The owner has violated obligations under a housing assistance payments contract under Housing Choice Voucher Program of the 1937 Act (42 U.S.C. 1437f).

The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.

The owner has engaged in criminal activity, drug-related criminal activity or any violent criminal activity.

The owner has a history or practice of non-compliance with HQS, CMHA unit standards and/or neighborhood standards for units leased under the tenant-based program or leased under any other Federal housing program.

The owner has a history or practice of renting units that fail to meet State or local housing codes.

The owner has a history or practice of failing to terminate tenancy assisted under Housing Choice Voucher Program or any other federally assisted housing program, or to take lease enforcement action for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

- Threatens the right to peaceful enjoyment by other residents or neighbors;

- Threatens the health or safety of other residents, of employees of CMHA or its agents, or other persons engaged in management of the housing;

- Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or drug-related criminal activity or violent criminal activity.

- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

- The owner has unsatisfactory performance in the HCV program.

- The owner has not paid State or local real estate taxes, fines or assessments.

**B. OWNER RESTRICTIONS AND PENALTIES**

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations or other gross unprofessional conduct, CMHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. CMHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, CMHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

**C. OWNER REQUIREMENTS [24 CFR 982.306]**

CMHA requires that all property owner participants in the Housing Choice Voucher Program meet minimum requirements prior to contract approval. Those requirements include:

All landlords are required to disclose all principals within partnerships, LLCs, corporations or any other business entities that have an interest in the proposed rental property on CMHA's *Property Owner Information Sheet*. Full disclosure of said entities is required prior to lease approval, and updates are required for the duration of the owner's program participation if any changes occur.

CMHA will verify that the legal owner of record reported on the Request for Tenancy Approval matches Hamilton County tax records. If there is a discrepancy, verification of ownership status is required or the landlord must demonstrate adequate legal site control of the proposed rental property prior to lease approval.

All owners must participate in CMHA's Housing Choice Voucher Program Landlord Orientation prior to lease approval.

All owners must demonstrate the ability to work with the administrative and programmatic requirements of the HCV program.

All owners must provide information for mandatory direct deposit of HAP.

**D. UNIT REQUIREMENTS [24 CFR 982.306(6)(7)]**

CMHA will ensure that all HCVP properties meet the following minimum pre-approval requirements:

Proposed units will be pre-screened to determine if there are any outstanding building code violations. Units with open building code violations (that would cause the unit to fail an HQS inspection) will not be inspected and the Request for Tenancy Approval will be cancelled.

All proposed units will be pre-screened to ensure that there are no delinquent property taxes. Units will not be approved until delinquent property taxes have been paid in full, or a payment arrangement has been accepted by the Hamilton County Auditor's Office. Proof of payment will be required prior to lease approval.

**E. PROGRESSIVE ENFORCEMENT PROGRAM**

CMHA expects that owners of HCV-assisted units will conduct themselves in a professional manner when working with CMHA staff and/or the HCV-assisted residents. The requirements outlined below are published for information and are not meant to be all-inclusive, since unanticipated circumstances may arise that require the immediate suspension or termination of an owner from the program. The following standards are not intended to create a right to participate in the program and are specific to "owner responsible" repairs. CMHA reserves the right to discontinue its business relationship with an owner upon notice.

CMHA may review a six-month history of an owner's HQS inspection record to determine if any violations have occurred.

**Non-compliance with HQS means:**

- **Six or more** occurrences of failing to make needed repairs by the "due date of repairs" in a retroactive 12-month period from current month;
- **Four or more** HAP contract cancellations due to HQS non-compliance in a retroactive 12-month from current month; or
- The owner is currently cited by code enforcement officials for serious rental property code violations and these violations have not been corrected. Serious code violations are building code violations that pose an immediate threat to the safety and welfare of the legal occupant as determined by local building code enforcement officials.

A suspension may include either or all but is not limited to the following:

- Suspension of owner adding new contracts to the program
- Cancellation of current contracts participating with the program.

If any of the above policies are violated, CMHA may suspend an owner's future participation in the HCV Program for a period of up to 12 months from the date of notification to the owner. Reinstatement of the owner's participation in the HCV Program will depend on the owner's efforts to comply with CMHA, HUD, state, and local laws and regulations. If CMHA determines that the owner has not made a good faith effort to comply, the suspension may continue for additional 12-month periods until the owner demonstrates to CMHA's satisfaction that sustained progress had been made towards compliance with HCV regulations and CMHA Administrative Plan policies.

While existing HCV contracts are not affected by the above policies, CMHA reserves the right to cancel an owner's remaining HCV contracts if there are continued HCV contract violations or for any of the non-compliance instances listed above. CMHA may permanently deny an owner from future participation if it is in the best interest of the HCV program.

If an owner has more than one vendor account with CMHA, all vendor accounts are affected by the above policies.

**F. CHANGE IN OWNERSHIP**

Change in ownership does not confer upon the subsequent owner the right of participation in the HCV program. The subsequent or "new" property owner must provide CMHA with an employer identification number or a social security number on IRS Form W-9 for reporting income to the IRS on Form 1099. The owner must provide a home telephone number and/or business number if applicable. The subsequent or "new" owner must adhere to program requirements. In addition, a change in ownership requires execution of a new owner registration form, contract and lease.

CMHA may approve the assignment of the HAP Contract at the owner's request. CMHA may deny approval of assignment of the contract, for any of the reasons listed in Section A of this chapter.

CMHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owners.

The "HAP Payee" for a property participating with the HCV program will be in the name of the entity or person of which the property is titled.

**Land Contracts**

In the case of land contracts, the HCV eligible titled property owner will continue to receive the housing assistance payments. The HCV eligible titled property owner may agree to allow the land contract vendor to receive the Housing Assistance payments as the property manager or agent for the HCV subsidized residence. However, the parties must complete a Property Manager Authorization form. The parties are advised that the titled property owner may withdraw consent or change the property management arrangement. The subsequent or "new" owner must participate in CMHA's Housing Choice Voucher Landlord Orientation prior to approval or recertification of HCV leases.

**Dual Ownership**

In the event that a dispute arises between joint owners of property, CMHA may pay the housing assistance payments into the Court of Common Pleas through a Complaint of Interpleader. If the parties are unable to resolve the dispute, CMHA will not renew the HAP contract or grant a Request for Tenancy Approval during

the pendency of the dispute.

**Receivership**

A court appointed receiver does not obtain any greater right to receive housing assistance payments under the HAP contract than the property owner. The court appointed receiver must adhere to all program requirements.



## **CHAPTER 18**

### **OWNER OR FAMILY DEBTS TO CMHA**

[24 CFR 982.552]

#### **PHILOSOPHY**

When families or owners owe money to CMHA, the agency will make every effort to collect the debt.

#### **POLICY**

It is CMHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support CMHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When a participant family owes money to CMHA, notice will be provided to the family and 30 days will be given for the family to either pay the debt in full or enter into a repayment agreement with CMHA. When an owner owes money to CMHA, CMHA will recoup any amounts owed from future HAP payments made to the owner. If the owner is no longer a participant with the HCV program, CMHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments

- Civil suits

- Obtaining a judgment against the owner and placing a lien against real estate property owned

- Payment agreements

- Abatements

- Reductions in HAP to owner

- Collection agencies

- Credit bureaus

- Income tax set-off programs

CMHA may terminate assistance to a family for failing to pay a debt owed in full or enter into a repayment agreement within 30 days of notification of the monies owed.

CMHA may terminate a HAP Contract with an owner for failure to repay monies owed to CMHA.

CMHA reserves every right to modify this policy in the best interest of the assisted family.

This chapter describes CMHA's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts.

**A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 982.552(c)(v-vii)]**

A Repayment Agreement as used in this Plan is a document entered into between CMHA and a person who owes a debt to CMHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to CMHA upon default of the agreement.

CMHA will prescribe the terms of the repayment agreement, including determining whether to enter into a repayment agreement with the family based on the circumstances surrounding the debt to CMHA.

There are some circumstances in which CMHA may not enter into a repayment agreement. They are:

- If the family already has a Repayment Agreement in place;
- If CMHA determines that the family committed program fraud;
- or
- If CMHA determines that the debt amount is larger than can be paid back by the family within 36 months.

The maximum amount for which CMHA will enter into a repayment agreement with a family is \$5,000.

The maximum length of time CMHA will enter into a repayment agreement with a family is 36 months.

The minimum monthly amount of monthly payment for any repayment agreement is \$25.

### **Repayment Schedule for Monies Owed to CMHA**

Initial Payment Due		
<b><u>(% of Total Amount)</u></b>	<b><u>Amount Owed</u></b>	<b><u>Maximum Term</u></b>
25%	0-\$500	6 months
25%	\$501 - \$1,000	12 months
25%	\$1,001 - \$1,999	18 months
15%	\$2,000 - \$2,999	24 months
10%	\$3,000 - \$5,000	36 months

After making the initial payment, the balance will be owed in equal monthly installments over the term of the repayment agreement. Unless approved by the HCV Director or designee and with documentation of a hardship, no Repayment Agreement will be accepted without the initial down payment. A family's failure to make payments in accordance with the terms of the repayment agreement is grounds for termination of assistance.

### **Applicant Families**

~~If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn.~~ If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

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—Families transferring from the Asset Management Program must return keys and possession of the unit to the site manager within 3 days of lease execution with owner for assistance under the HCV program.

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### **B. DEBTS OWED FOR CLAIMS [24 CFR 792.103, 982.552 (c)(v-vii)]**

If a family owes money to CMHA for claims paid to an owner, CMHA will not enter into a Repayment Agreement. No move will be approved until the debt is paid in full unless the move is the result of the following causes.

Family size exceeds the HQS maximum occupancy standards.

The HAP Contract is terminated due to owner non-compliance or opt-out.

A natural disaster.

### **Late Payments**

A payment will be considered to be in arrears if:

- The payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.
- If the family's repayment agreement is in arrears, and the family has not contacted or made arrangements with CMHA, the agency will terminate the housing assistance; and pursue civil collection of the balance due.
- If the family requests a move to another unit, has a repayment agreement, and is current; the family will be permitted to transfer after paying the balance in full.

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### **C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION [24 CFR 982.163]**

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Housing Choice Voucher Program funds in violation of Housing Choice Voucher Program requirements.

### **Family Error/Late Reporting/Program Fraud**

Families who owe less than \$5,000 to CMHA due to the family's failure to report will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

Families who owe \$5,000 or more to CMHA due to the family's failure to report will be required to pay in a lump sum within 30 days. If the family pays the amount in full within this time period, CMHA may continue assistance to the family.

### **D. DEBTS DUE TO MINIMUM RENT/TEMPORARY HARDSHIP**

If the family owes CMHA money for rent arrears incurred during the minimum rent or temporary hardship, the family may enter into a repayment agreement. The total amount owed must be repaid in 180 calendar days or less in equal monthly installments.

The minimum monthly amount for a payment agreement incurred for minimum rent arrears is \$25.

**E. GUIDELINES FOR REPAYMENT AGREEMENTS [24 CFR 982.552(c) (v-vii)]**

Repayment agreements will be executed between CMHA and the head of household/co-head only.

Payments may be made by money order or cashier's check made payable to CMHA.

A payment will be considered in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

The family's assistance will be proposed for terminated unless CMHA receives the balance of the repayment agreement in full within 10 calendar days of the termination notice.

Monthly payments and the required 25% down payment may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of the hardship, and the approval of either the HCV Director or their designee.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the repayment agreement is current:

Family size exceeds the HQS maximum occupancy standards;

The family's voucher size has decreased and family needs a smaller size unit;

The HAP Contract is terminated due to owner non-compliance or opt-out; or

A natural disaster.

Applicants participating in the Special Programs shall be permitted to sign a repayment agreement for funds owed to CMHA and receive a voucher. Such agreements require the initial down payment.

All repayment agreements will be due the first of the month according to the following schedule:

If the agreement is signed and returned between the 1<sup>st</sup> and 14<sup>th</sup> of the month, payment will be due the next month. If it is signed between the 15<sup>th</sup> through the end of the month, payment will be due the first of the month after

the upcoming month (i.e. agreement signed 8/16, first payment will be due 10/1; signed 8/1, first payment will be due 9/1). Payments for all agreements will be due on the 1<sup>st</sup> of the month.

When completing a Repayment Agreement form a copy should go to the HCV Program Manager and a copy to the Finance Department designee. The original is to be maintained in the client file.

Any Repayment Agreement form requested through the mail will be due back in 10 business days from the date of the request. Failure to respond may result in termination.

Additional Monies Owed:

CMHA will not enter into more than one repayment agreement at a time with the family.

**F. OWNER DEBTS TO CMHA [24 CFR 982.453(b)]**

If CMHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, CMHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, CMHA will collect the debt and may use one of the following methods:

Enter into a payment agreement with the owner for the amount owed;

Pursue collections through the court and/or a collection agency;

Obtain a judgment against the owner and secure a lien against real estate property owned; or

Restrict the owner from future participation.

CMHA may also refer an owner for prosecution for program fraud.

## **CHAPTER 19**

### **COMPLAINTS AND APPEALS**

#### **PHILOSOPHY**

The informal hearing requirements defined in the HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of CMHA.

#### **POLICY**

CMHA will respond promptly within 5 business days, when possible, to complaints from families, owners, employees, and members of the public in accordance with its complaint procedures. All complaints will be documented.

This chapter describes the policies, procedures and standards to be used when families disagree with a CMHA decision. The procedures and requirements are explained for informal reviews and hearings. It is CMHA's goal is to ensure that all families have the benefit of all protections due to them under the law.

#### **A. INFORMAL REVIEW PROCEDURES [24 CFR 982.54(d) (12), 982.554]**

Informal Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. When CMHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

The reason(s) they are ineligible,

The procedure for requesting an informal review if the applicant does not agree with the decision, and

The time limit for requesting an informal review.

When proposing to deny a family admission for criminal activity as shown by a criminal record, CMHA will give the subject 7 days to respond to the proposed action. The subject will receive a copy of the criminal record upon which the proposed decision to deny is based to allow the family to dispute and/or clarify the information received. After the 7 days, CMHA will send the applicant a letter with CMHA's final decision regarding the family's admission to the program. If the family is denied, the family will have 10 days to request a review in writing. If a review request is not received within those 10 days, the applicant family will be removed from the wait list without further notification.

Applicants are responsible for notifying CMHA in writing of any change of address pending the informal review. If the informal review notification is returned to CMHA without a forwarding address by the U.S. Postal Service and the tenant has not provided a forwarding address in writing to CMHA, the decision to reschedule a hearing is at the discretion of the Senior Program

Manager, or their designee.

CMHA must provide applicants with the opportunity for an informal review of decisions to:

- Deny issuance of a voucher

- Deny participation in the program

- Deny assistance under portability procedures

Informal reviews are not required for established policies and procedures and CMHA determinations such as:

- Discretionary administrative determinations by CMHA

- General policy issues or class grievances

- An Applicant withdrawn from the wait list for failure to update their change of address in writing

- A determination of the family unit size under CMHA subsidy standards

- Refusal to extend or suspend a voucher

- CMHA determination not to grant approval of the tenancy

- Determination that unit is not in compliance with HQS

- Determination that unit is not in accordance with HQS due to family size or composition

- Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than 10 calendar days from the date of CMHA's notification of denial of assistance. The informal review will be scheduled within 30 calendar days of the date the request is received.

The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

The review may be conducted by:

- A CMHA staff person who is not directly involved in the decision to approve or deny

- An individual from outside CMHA

The applicant will be given the option of presenting oral and/or written objections to the decision. Both CMHA and the family may present evidence and witnesses. The family may use one designee, e.g. an attorney or other representative, to assist



them at their own expense.

A notice of the findings will be provided in writing to the applicant within 15 business days after the review. It shall include the decision of the Hearing Officer, and an explanation of the decision.

All requests for an informal review, supporting documentation, and a copy of the final decision will be retained in the family's file.

**B. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-f), 982.54(d) (13)]**

CMHA will give a participant family an opportunity for an informal hearing to consider whether the following decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and CMHA policies:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment
- Appropriate utility allowance used from schedule
- Family unit size determination under CMHA subsidy standards
- Determination to terminate assistance for any reason

CMHA must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies and procedures and CMHA determinations such as:

- Discretionary administrative determinations by CMHA;
- General policy issues or class grievances;
- Establishment of the CMHA schedule of utility allowances for families in the program;
- CMHA determination not to approve an extension or suspension of a voucher term; CMHA determination not to approve a unit or lease;
- CMHA determination that an assisted unit is not in compliance with HQS (CMHA must provide hearing for family breach of HQS because that is a family obligation determination);
- CMHA determination that the unit is not in accordance with HQS because of the family size; or
- CMHA determination to exercise or not exercise any right or remedy against the owner under a HAP Contract.

When CMHA makes a decision regarding the eligibility and/or the amount of assistance, participants must be notified in writing. CMHA will give the family prompt notice of such determinations which will include:

- The proposed action or decision of CMHA
- The date the proposed action or decision will take place
- The family's right to an explanation of the basis for CMHA's decision
- The procedures for requesting a hearing if the family disputes the action or decision
- The time limit for requesting the hearing
- To whom the hearing request should be addressed

#### **Notification of Hearing**

It is CMHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, CMHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

An informal hearing shall be scheduled within 30 calendar days following receipt of a hearing request. Tenants are responsible for notifying CMHA in writing of any change of address pending the informal hearing. If the informal hearing notification is returned to CMHA without a forwarding address by the U.S. Postal Service and the tenant has not provided a forwarding address in writing to CMHA, the decision to reschedule a hearing is at the discretion of the Senior Program Manager, or their designee. The notification of hearing will contain:

- The date and time of the hearing
- The location where the hearing will be held
- The family's right to bring evidence, witnesses, legal ~~or~~ other representation at the family's expense
- The right to view any documents or evidence in the possession of CMHA upon which CMHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 5 business days before the hearing date.
- A notice to the family that CMHA requests a copy of any documents or evidence the family will use at the hearing.

#### **CMHA's Hearing Procedures**

After a hearing date is set, the family may request to reschedule only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Families have the right to:

- Present written or oral objections to CMHA's determination.
- Examine the documents in the file which are the basis for CMHA's action, and all documents submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that CMHA staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

In addition to other rights contained in this Chapter, CMHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have their attorney present; and
- Have staff persons and other witnesses familiar with the case present.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Officer 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 CMHA shall take effect and another hearing will not be granted. The Hearing Officer will determine whether the action, inaction or decision of CMHA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based

on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to CMHA and the family within 15 business days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed;
- The date the decision goes into effect.

CMHA is not bound by hearing decisions which:

- Concern matters in which CMHA is not required to provide an opportunity for a hearing;
- Are contrary to HUD regulations or requirements;
- Are contrary to Federal, State or local laws; or
- Exceed the authority of the person conducting the hearing.

If CMHA determines it is not bound by a hearing decision, CMHA will notify the family of the determination, and the reason(s) for the determination.

**C. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NONCITIZENS" [24 CFR Parts 5, Subpart E]**

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while CMHA hearing is pending but assistance to an applicant may be delayed pending CMHA hearing.

**INS Determination of Ineligibility**

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, CMHA notifies the applicant or participant within 10 business days of their right to appeal to the INS within 30 business days or to request an informal hearing with CMHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give CMHA a copy of the appeal and proof of mailing or CMHA may proceed to deny or terminate. The time period to request an appeal may be extended by CMHA for good cause.

The request for a CMHA hearing must be made within 10 calendar days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 10 calendar days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members CMHA will:

Deny the applicant family

Defer termination if the family is a participant and qualifies for deferral

Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, CMHA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the noncitizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

**D. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES [24 CFR 982.204, 982.552(c)]**

When applicants are denied placement on the wait list, or CMHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal hearing process.

**CHAPTER 20**  
**SPECIAL HOUSING TYPES**  
[24 CFR 982.6011]

**PHILOSOPHY**

CMHA may permit the use of additional housing types in its program after considering the benefits, costs, and feasibility for serving the housing needs of assisted housing customers. These include Moderate Rehabilitation and Project Based Voucher programs.

**POLICY**

CMHA will ensure that Moderate Rehabilitation and Project Based Voucher program referrals meet all the screening criteria for applicants of the tenant-based programs. The biggest difference between the tenant-based program and these special housing types is that the assistance resides with the unit, not the family.

This chapter deals with managing the wait list for each special housing type, the process when a unit becomes vacant, and handling a request from a project based voucher client to convert to the voucher program.

**A. MODERATE REHABILITATION UNITS [24 CFR 882]**

This section applies to units rehabilitated under the Housing Choice Voucher's Moderate Rehabilitation program. Except with respect to the following, CMHA policies governing these units are the same as those for the tenant-based programs.

When a unit becomes vacant, the owner is required to notify CMHA so that prospective tenants can be referred. CMHA will notify applicants on the Mod Rehab wait list of the availability of the unit. Interested applicants from the Mod Rehab wait list will be referred to the owner.

If the unit has not been leased to an applicant from the Mod Rehab wait list within 30 calendar days, the owner may select an income-eligible family for the unit and refer the family to CMHA for a determination of eligibility for assistance.

It is the responsibility of the owner to ensure that at least 40% of the applicants admitted during any fiscal year (July 1 through June 30) are extremely low income (below 30% of the Area Median Income).

Owners who do not notify CMHA promptly of a vacancy, arbitrarily reject prospective tenants referred by CMHA, or fail to lease the unit to an eligible family within 90 calendar days may have their HAP Contract terminated. In the case of multiple units under one HAP Contract, the contract may be amended to exclude the unit(s) that remains vacant.

Owners who do not make required repairs within 30 calendar days following an inspection will have their HAP Contract terminated, or in the case of multiple units under one HAP, have their HAP amended to exclude the unit.

Families living in units that are terminated for owner non-compliance or owner opt-outs will have their form of assistance converted to a Housing Choice Voucher.

Participants whose family size increases to the point where their continued occupancy in the unit violates the HQS space requirement will be provided a list of other appropriately sized, available units within this program. If the family is unable to find a suitably sized unit, CMHA may issue a Housing Choice Voucher to the family.

Participants whose family size decreases to less than one person per bedroom will be required to move, and will be provided with a list of available units within the program. If the family is unable to find a suitably sized unit, CMHA may issue a Housing Choice Voucher to the family.

Other than those situations, described above, Mod Rehab participants who move from the assisted unit will not continue to receive housing assistance.

**B. PROJECT-BASED VOUCHERS [24 CFR 983]**

**Conversion of Housing Choice Vouchers (HCV) To Project-Based Vouchers (PBV)**

CMHA will seek to meet the agency's goals to expand quality affordable housing through the occasional use of the conversion of Housing Choice Vouchers into Project-Based vouchers, in accordance with HUD regulations at 24 CFR Part 983. This section explains the agency's specific goals in using this tool, and outlines the required agency and regulatory criteria for the conversion of Housing Choice Vouchers. The use of Project-Based vouchers will be contingent upon the availability of voucher funding, compliance with applicable HUD regulations and verification that such use will further the agency's housing mission. Since CMHA hopes to encourage the creation of housing for all types of families, applications for all target groups (e.g., family, elderly, disabled or special needs) will be fully considered and evaluated.

**Local Goals**

CMHA will use the conversion of HCV to PBV to further the goals stated in Chapter 1, Section B of the CMHA Administrative Plan. Additionally, CMHA will use this tool to accomplish the following specific goals:

Meet the housing needs of special needs populations through financially supporting the collaboration of private and non-profit partnerships that result in specific and comprehensive housing and service provisions.

Meet the housing needs for a hard-to-serve population through design and/or

partnership with local social service agencies.

Provide avenues for partnership with the City of Cincinnati and/or Hamilton County to support the preservation of vital housing communities that are pivotal to the local jurisdictional area and/or the submarket of the community's locality.

Support projects which further revitalize neighborhoods, promote the deconcentration of poverty and generally provide increased housing and economic opportunities.

Meet the agency's goal to continuously promote the expansion of quality affordable housing opportunities for low and moderate-income families.

#### **Proposal Submission and Selection Request for Proposals**

CMHA may select PBV proposals through a public Request for Proposals (RFP) process. CMHA's PBV RFP will be advertised in a manner which will provide broad public notice of the opportunity to offer PBV proposals for consideration by CMHA. The public notice procedures will include publication of the general notice in a local newspaper of general circulation. The RFP will specify the submission deadline and provide detailed information on proposal submission and selection procedures. Requests for PBVs under this selection method will be subject to CMHA's evaluation process to ensure that the project meets the agency's goals as stated in the local goals outlined in this chapter. CMHA will decide and make the award contingent upon the project meeting the local goals. Awards of vouchers will be made at the discretion of the agency and upon availability of vouchers to make award. Final approval of an award of project-based vouchers is contingent upon final approval from HUD.

The PHA may select, without competition, CMHA may also attach PBVs may in accordance with PIH Notice 2017-21 (HA) issued October 30, 2017. The PIH Notice 2017-21 (HA) allows CMHA to attach PBVs to a public housing project in which it has an ownership, an interest or over which it has control and is engaged in an initiative to improve, develop, or replace public housing properties or sites. In order to be non-competitively selected under this provision, the units must be eligible for PBV assistance in accordance with 24 CFR §983.53 and the selection of the units must satisfy all other statutory and regulatory requirements of the PBV program. Unless otherwise exempt, units non-competitively selected under this section are subject to the program cap and income-mixing requirements and exceptions

#### **Site Selection Standards (24 CFR 983.57)**

CMHA will use the site selection standards to select sites that will be awarded PBV assistance contracts.

The site selection requirements in paragraph (d) of this section apply only to site selection for existing housing and rehabilitated PBV housing. The site selection requirements in paragraph (e) of this section apply only to site selection for newly constructed PBV housing. Other provisions of this section apply to selection of a site



for any form of PBV housing, including existing housing, newly constructed housing, and rehabilitated housing.

CMHA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless CMHA has determined that:

(1) Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with CMHA Plan under 24 CFR part 903 and CMHA Administrative Plan. In developing the standards to apply in determining whether a proposed PBV development will be selected, CMHA must consider the following:

(i) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

(ii) Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;

(iii) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;

(iv) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;

(v) Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;

(vi) If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, CMHA should consider whether in the past five years there has been an overall decline in the poverty rate;

(vii) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

(2) The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629); and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).

Existing and rehabilitated housing site and neighborhood standards. A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

- (1) Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)
- (2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- (3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- (4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

A site for newly constructed housing must meet the following site and neighborhood standards:

- (1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- (2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- (3) A project may be located in an area of minority concentration only if:
  - (i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or
  - (ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi) of this section for further guidance on this criterion).
  - (iii) As used in paragraph (e)(3)(i) of this section, "sufficient" does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years,

will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

(iv) Units may be considered "comparable opportunities," as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

(v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

(A) A significant number of assisted housing units are available outside areas of minority concentration.

(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.

(D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.

(E) Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(vi) Application of the "overriding housing needs" criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a "revitalizing area"). An "overriding housing need," however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

(4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(5) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

(6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(7) Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

#### **Environmental Review.**

(a) HUD environmental regulations. Activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58.

(b) Who performs the environmental review? (1) Under 24 CFR part 58, a unit of general local government, a county or a state (the "responsible entity" or "RE") is responsible for 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 CFR 58.5 and 58.6.

(2) If CMHA objects in writing to having the RE perform the federal environmental review, or if the RE declines to perform it, then HUD may perform the review itself (24 CFR 58.11). 24 CFR part 50 governs HUD performance of the review.

(c) Existing housing. In the case of existing housing under this part 983, the RE that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

(d) Limitations on actions before completion of the environmental review. (1) CMHA may not enter into an Agreement or HAP contract with an owner, and CMHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

(i) The responsible entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and HUD has given a release of funds, as defined in §983.3(b);

(ii) The responsible entity has determined that the project to be assisted is exempt under 24 CFR 58.34 or is categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or

(iii) HUD has performed an environmental review under 24 CFR part 50 and has notified CMHA in writing of environmental approval of the site.

(2) HUD will not approve the release of funds for PBV assistance under this part if CMHA, the owner, or any other party commits funds (i.e., enters an Agreement or HAP contract or otherwise incurs any costs or expenditures to be paid or reimbursed with such funds) before CMHA submits and HUD approves its request for release of funds (where such submission is required).

(e) CMHA duty to supply information. CMHA must supply all available, relevant information necessary for the RE (or HUD, if applicable) to perform any required environmental review for any site.

(f) Mitigating measures. CMHA must require the owner to carry out mitigating measures required by the RE (or HUD, if applicable) as a result of the environmental review.

#### **CMHA Owned Units.**

The selection of CMHA-owned units must be done in accordance with §983.51(e).

(b) Inspection and determination of reasonable rent by independent entity. In the case of CMHA-owned units, the following program services may not be performed by CMHA, but must be performed instead by an independent entity approved by HUD.

(1) Rent to owner for CMHA-owned units is determined pursuant to §§983.301 through 983.305 in accordance with the same requirements as for other units, except that the independent entity approved by HUD must establish the initial contract rents based on PBV program requirements;

(2) The term of the HAP contract and any HAP contract renewal for CMHA-owned units must be agreed upon by CMHA and the independent entity approved by HUD. Any costs associated with implementing this requirement must be paid for by CMHA; and Inspection of CMHA-owned units as required by §983.103(f).

The independent entity that performs these program services may be the unit of general local government for CMHA jurisdiction (unless CMHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

CMHA may compensate the independent entity from CMHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). CMHA may not use other program receipts to compensate the independent entity for its services.

CMHA, and the independent entity, may not charge the family any fee for the services provided by the independent entity.

### **Housing Quality Standards.**

Except as otherwise provided in this section, 24 CFR 982.401 (housing quality standards) applies to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

For special housing types assisted under the PBV program, HQS in 24 CFR part 982 apply to the PBV program. (Shared housing, manufactured home space rental, and the homeownership option are not assisted under the PBV program.) HQS contained within 24 CFR part 982 that are inapplicable to the PBV program pursuant to §983.2 are also inapplicable to special housing types under the PBV program.

The lead-based paint requirements at §982.401(j) of this chapter do not apply to the PBV 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, apply to the PBV program.

Parts 982 and 983 of this chapter do not create any right of the family or any party, other than HUD or CMHA, to require enforcement of the HQS requirements or to assert any claim against HUD or CMHA for damages, injunction, or other relief for alleged failure to enforce the HQS.

This section establishes the minimum federal housing quality standards for PBV housing. However, CMHA may elect to establish additional requirements for quality, architecture, or design of PBV housing, and any such additional requirements must be specified in the Agreement. Housing accessibility for Persons with Disabilities.

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. CMHA shall 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 part 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable.

### **Inspecting Units.**

(1) Inspection of site. CMHA must examine the proposed site before the proposal selection date.

(2) Inspection of existing units. If the units to be assisted already exist, CMHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with the HQS. To qualify as existing housing, units must substantially comply with the HQS on the proposal selection date. However, CMHA may not execute the HAP contract until the units fully comply with the HQS.

(b) Pre-HAP contract inspections. CMHA must inspect each contract unit before execution of the HAP contract. CMHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.

(c) Turnover inspections. Before providing assistance to a new family in a contract unit, CMHA must inspect the unit. CMHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.

(d) Biennial inspections. (1) At least biennially during the term of the HAP contract, CMHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections pursuant to paragraph (c) of this section are not counted toward meeting this inspection requirement.

(2) If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, then CMHA must reinspect 100 percent of the contract units in the building.

(3) CMHA may also use the procedures applicable to HCV units in 24 CFR 982.406.

CMHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. CMHA must take into account complaints and any other information coming to its attention in scheduling inspections.

(2) CMHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of the HQS. (Family HQS obligations are specified in 24 CFR 982.404(b).)

(3) In conducting CMHA supervisory quality control HQS inspections, CMHA should include a representative sample of both tenant-based and project-based units.

In the case of CMHA-owned units, the inspections required under this section must be performed by an independent agency designated in accordance with §983.59, rather than by CMHA. The independent entity must furnish a copy of each inspection report to CMHA and to the HUD field office where the project is located.

CMHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by CMHA owner.

In the case of a property assisted with project-based vouchers (authorized at 42 U.S.C. 1437f(o)(13)) that is subject to an alternative inspection, CMHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement of 24 CFR 982.405(a).

### **Purpose and Content of the Agreement to enter into HAP Contract.**

In the Agreement, the owner agrees to develop the contract units to comply with the HQS, and CMHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, CMHA will enter into a HAP contract with the owner for the contract units.

CMHA must enter into an Agreement with the owner at such time as provided in §983.153. The Agreement must be in the form required by HUD headquarters (see 24 CFR 982.162).

CMHA may not enter into an agreement if commencement of construction or rehabilitation has commenced after proposal submission.

(1) Construction begins when excavation or site preparation (including clearing of the land) begins for the housing;

(2) Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

At a minimum, the Agreement must describe the following features of the housing to be developed (newly constructed or rehabilitated) and assisted under the PBV program:

(i) Site;

(ii) Location of contract units on site;

(iii) Number of contract units by area (size) and number of bedrooms and bathrooms;

(iv) Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner;

(v) Utilities available to the contract units, including a specification of utility services to be paid by owner (without charges in addition to rent) and utility services to be paid by the tenant;

(vi) Indication of whether or not the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR 8.22 and 8.23 apply to units under the Agreement. If these requirements are applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement, as specified in paragraph (c)(i)(viii) of this section.

(vii) Estimated initial rents to owner for the contract units;

(viii) Description of the work to be performed under the Agreement. If the Agreement is for rehabilitation of units, the work description must include the rehabilitation work



write up and, where determined necessary by CMHA, specifications, and plans. If the Agreement is for new construction, the work description must include the working drawings and specifications.

At a minimum, the housing must comply with the HQS. CMHA may elect to establish additional requirements for quality, architecture, or design of PBV housing, over and above the HQS, and any such additional requirement must be specified in the Agreement.

**When Agreement is executed.**

The agreement must be promptly executed, in accordance with the following conditions:

CMHA may not enter the Agreement with the owner until the subsidy layering review is completed (see §983.55).

CMHA may not enter the Agreement with the owner until the environmental review is completed and CMHA has received the environmental approval (see §983.58).

CMHA shall not enter into the Agreement with the owner if construction or rehabilitation has commenced after proposal submission.

**Conduct of Development Work.**

The owner must carry out development work in accordance with the Agreement and the requirements of this section.

(1) In the case of an Agreement for development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing.

(2) The HUD prescribed form of Agreement shall include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

(3) The owner and the owner's contractors and subcontractors must 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. CMHA must monitor compliance with labor standards.

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135.

The owner must comply with federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198) and 12138 (3 CFR, 1977 Comp., p. 393).

The Agreement and HAP contract shall include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

#### **Completion of Housing.**

The owner must develop and complete the housing in accordance with the Agreement. The Agreement must specify the deadlines for completion of the housing and for submission by the owner of the required evidence of completion.

At a minimum, the owner must submit the following evidence of completion to CMHA in the form and manner required by CMHA:

- (i) Owner certification that the work has been completed in accordance with the HQS and all requirements of the Agreement; and
- (ii) Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the discretion of CMHA, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion. For example, such documentation may include:

- (i) A certificate of occupancy or other evidence that the units comply with local requirements (such as code and zoning requirements); and
- (ii) An architect's certification that the housing complies with:
  - (A) HUD housing quality standards;
  - (B) State, local, or other building codes;
  - (C) Zoning;
  - (D) The rehabilitation work write-up (for rehabilitated housing) or the work description (for newly constructed housing); or
  - (E) Any additional design or quality requirements pursuant to the Agreement.

#### **CMHA's Acceptance of Completed Units.**

When CMHA has received owner notice that the housing is completed:

(1) CMHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with the HQS and any additional requirement imposed by CMHA under the Agreement.

(2) CMHA must determine if the owner has submitted all required evidence of completion.

(3) If the work has not been completed in accordance with the Agreement, CMHA must not enter into the HAP contract.

If CMHA determines that the housing has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, CMHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

#### **Broadband Infrastructure.**

Any new construction or substantial rehabilitation, as substantial rehabilitation is defined by 24 CFR 5.100, of a building with more than 4 rental units and where the date of the notice of owner proposal selection or the start of the rehabilitation while under a HAP contract is after January 19, 2017 must include installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

(a) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;

(b) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or

(c) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

#### **Purpose of HAP Contract.**

CMHA must enter into a HAP contract with the owner. 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. The HAP contract must be in such form as may be prescribed by HUD.

(1) The purpose of the HAP contract is to provide housing assistance payments for eligible families.

(2) CMHA makes housing assistance payments to the owner in accordance with the HAP contract. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term.

#### **Determining the rent to owner.**

The amount of the initial and redetermined rent to owner is determined in accordance with this section and §983.302.

The amount of the initial rent to owner is established at the beginning of the HAP contract term. For rehabilitated or newly constructed housing, the Agreement states the estimated amount of the initial rent to owner, but the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

The rent to owner is also redetermined in accordance with §983.302. *Amount of rent to owner.* Except for certain tax credit units as provided in paragraph (c) of this section, the rent to owner must not exceed the lowest of:

- (1) An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance;
- (2) The reasonable rent; or
- (3) The rent requested by the owner.

This paragraph (c) applies if:

- (i) A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42);
- (ii) The contract unit is not located in a qualified census tract;
- (iii) In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- (iv) The tax credit rent exceeds the applicable fair market rental (or any exception payment standard) as determined in accordance with paragraph (b) of this section.

In the case of a contract unit described in paragraph (c)(1) of this section, the rent to owner must not exceed the lowest of:

- (i) The tax credit rent minus any utility allowance;
- (ii) The reasonable rent; or
- (iii) The rent requested by the owner.

The “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., additional assistance such as tenant-based voucher assistance).

A “qualified census tract” is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which:

(i) At least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or

(ii) Where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Except in the case of a tax-credit unit described in paragraph (c)(1) of this section, the rent to owner for all other tax credit units may be determined by the PHA pursuant to paragraph (b) of this section.

The PHA shall determine the reasonable rent in accordance with §983.303. The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where, the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. 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.

When determining the initial rent to owner, the PHA shall use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. At its discretion, the PHA may use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract.

(ii) *Redetermination of rent to owner.* When redetermining the rent to owner, the PHA shall use the most recently published FMR and the PHA utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under 24 CFR 982.503(c) applies to both the tenant-based and project-based voucher programs. HUD will not approve a different exception payment standard amount for use in the PBV program.

(ii) The PHA may not establish or apply different utility allowance amounts for the PBV program. The same PHA utility allowance schedule applies to both the tenant-based and PBV programs.

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the annual anniversary of the HAP contract are determined by the independent entity approved by HUD in accordance with §983.59. The PHA must use the rent to owner established by the independent entity.

#### **When HAP Contract is Executed.**

Before execution of the HAP contract, CMHA must inspect each contract unit in accordance with §983.103(b).

CMHA may not enter into a HAP contract for any contract unit until CMHA has determined that the unit complies with the HQS.

In the case of existing housing, the HAP contract must be executed promptly after CMHA selection of the owner proposal and CMHA inspection of the housing.

(1) In the case of newly constructed or rehabilitated housing the HAP contract must be executed after CMHA has inspected the completed units and has determined that the units have been completed in accordance with the Agreement and the owner has furnished all required evidence of completion (see §§983.155 and 983.156).

(2) In the HAP contract, the owner certifies that the units have been completed in accordance with the Agreement. Completion of the units by the owner and acceptance of units by CMHA is subject to the provisions of the Agreement.

#### **Other PBV Criteria**

Approval of all PBV contracts will also be subject to the following CMHA rules and/or HUD regulations:

- Compliance with HUD Federal Register Notice: Project-Based Voucher Program; Final Rule dated Thursday, October 13, 2005 and all other applicable regulations located at 24 CFR Part 983.
- Compliance with HUD Housing Quality Standards (HQS) as specified in Chapter 11 of the Housing Choice Voucher Administrative Plan.

All applications will be ranked according to specific criteria, based on CMHA's housing goals.

All assisted units will be inspected by CMHA on an annual basis to verify continued compliance with HUD's Housing Quality Standards.

CMHA will not award Site-Based Assistance for shared housing, cooperative housing, transitional housing, manufactured home space rental, or the homeownership option. Additionally, CMHA will not award Site-Based Assistance for properties that are already subsidized under the following programs: Asset Management, any form of Section 8, any local or state rent subsidy, Section 236, Section 521, Section 202, Section 202 Loan, Section 811 or Section 101 Rent Supplement.

#### **Term of HAP Contract.**

CMHA may enter into a HAP contract with an owner for an initial term of up to 15 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 15 years. In the case of CMHA-owned units, the term of the initial HAP contract shall be determined in accordance with §983.59. CMHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, for an additional term of up to 15 years if CMHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 15 years. CMHA may provide for multiple extensions; however, in no circumstance may such extensions exceed 15 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term provided that not more than 24 months prior to the expiration of the previous extension contract, CMHA agrees to

extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations described in this paragraph. Any extension of the term must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of CMHA-owned units, any extension of the initial term of the HAP contract shall be determined in accordance with §983.59.

The HAP contract must provide that the term of CMHA's contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by CMHA in accordance with HUD instructions. For purposes of this section, "sufficient funding" means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

The availability of sufficient funding must be determined by HUD or by CMHA in accordance with HUD instructions. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, CMHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by CMHA shall be implemented in accordance with HUD instructions.

The owner may terminate the HAP contract, upon notice to CMHA, if the amount of the rent to owner for any contract unit, as adjusted in accordance with §983.302, 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 families residing in the contract units will be offered tenant-based voucher assistance.

**Statutory Notice Requirements: Contract Termination or Expiration.**

Notices required in accordance with this section must be provided in the form prescribed by HUD.

Not less than one year before termination of a PBV or PBC HAP contract, the owner must notify CMHA and assisted tenants of the termination.

For purposes of this section, the term "termination" means the expiration of the HAP contract or an owner's refusal to renew the HAP contract.

- If an owner does not give timely notice of termination, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of an owner's inability to collect an increased tenant portion of rent.
- An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

### **HAP Contract Amendments (to add or substitute contract units).**

At the discretion of CMHA and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, CMHA must inspect the proposed substitute unit and must determine the reasonable rent for such unit.

At the discretion of CMHA, and provided that the total number of units in a project that will receive PBV assistance will not exceed 25 percent of the total number of dwelling units in the project (assisted and unassisted), (unless units were initially identified in the HAP contract as excepted from the 25 percent limitation in accordance with §983.56(b)), or the 20 percent of authorized budget authority as provided in §983.6, a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same project. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.

Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

### **Removal of a Unit from HAP Contract.**

Units occupied by families 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.

If the project is fully assisted, CMHA may reinstate the unit removed under paragraph (a) of this section to the HAP contract after the ineligible family vacates the property. If the project is partially assisted, CMHA may substitute a different unit for the unit removed under paragraph (a) of this section to the HAP contract when the first eligible substitute becomes available.

A reinstatement or substitution of units under the HAP contract, in accordance with paragraph (b) of this section, must be permissible under §983.207. The anniversary and expirations dates of the HAP contract for the unit must be the same as it was when it was originally placed under the HAP contract. CMHA must refer eligible families to the owner in accordance with CMHA's selection policies.

### **Tenant Selection**

CMHA will maintain separate wait lists for the PBV and HCV Programs. Furthermore, CMHA will maintain a separate wait list for each PBV-assisted



property. All PBV program wait lists will remain open for referrals from the property owner and from applications received at CMHA's HCV Office. All PBV program wait lists will remain open continuously until CMHA determines that enough applicants have been collected to fill the vacancies projected for a one-year period. PBV applicants will be drawn from the specific PBV wait list in date and time order.

**How Participants are Selected.**

(a) *Who may receive PBV assistance?* (1) CMHA may select families who are participants in CMHA's tenant-based voucher program and families who have applied for admission to the voucher program.

(2) Except for voucher participants (determined eligible at original admission to the voucher program), CMHA may only select families determined eligible for admission at commencement of PBV assistance.

(3) The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to admission to the project-based program.

(4) CMHA may not approve a tenancy if the owner (including a principal or other interested party) of a unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless CMHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

(b) *Protection of in-place families.* (1) The term "in-place family" means an eligible family residing in a proposed contract unit on the proposal selection date.

(2) In order to minimize displacement of in-place families, if a unit to be placed under contract that is either an existing unit or one requiring rehabilitation is occupied by an eligible family on the proposal selection date, the in-place family must be placed on CMHA's waiting list (if the family is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. (However, CMHA may deny assistance for the grounds specified in 24 CFR 982.552 and 982.553.) Admission of such families is not subject to income-targeting under 24 CFR 982.201(b)(2)(i), and such families must be referred to the owner from CMHA's waiting list. CMHA shall give such families priority for admission to the PBV program. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.

(c) *Selection from CMHA's waiting list.*

(1) Applicants who will occupy PBV units must be selected by CMHA from CMHA waiting list. CMHA must select applicants from the waiting list in accordance with the policies in CMHA administrative plan.

(2) CMHA may use a separate waiting list for admission to PBV units or may use the same waiting list for both tenant-based assistance and PBV assistance. If CMHA chooses to use a separate waiting list for admission to PBV units, CMHA must offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list for PBV assistance.

(3) CMHA may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for CMHA's whole PBV program. In either case, the waiting list may establish criteria or preferences for occupancy of particular units.

(4) CMHA may merge the waiting list for PBV assistance with CMHA waiting list for admission to another assisted housing program.

(5) CMHA may place families referred by the PBV owner on its PBV waiting list.

(6) Not less than 75 percent of the families admitted to CMHA's tenant-based and project-based voucher programs during CMHA fiscal year from CMHA waiting list shall be extremely low-income families. The income-targeting requirements at 24 CFR 982.201(b)(2) apply to the total of admissions to CMHA's project-based voucher program and tenant-based voucher program during CMHA fiscal year from CMHA waiting list for such programs.

(7) In selecting families to occupy PBV units with special accessibility features for persons with disabilities, CMHA must first refer families who require such accessibility features to the owner (see 24 CFR 8.26 and 100.202).

(d) *Preference for services offered.* In selecting families, CMHAs may give preference to disabled families who need services offered at a particular project in accordance with the limits under this paragraph. The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.

(1) *Preference limits.* (i) The preference is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;

(ii) Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and

(iii) For whom such services cannot be provided in a nonsegregated setting.

(2) Disabled residents shall not be required to accept the particular services offered at the project.

(3) In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project.

(e) *Offer of PBV assistance.*

(1) If a family refuses CMHA's offer of PBV assistance, such refusal does not affect the family's position on CMHA waiting list for tenant-based assistance.

(2) If a PBV owner rejects a family for admission to the owner's PBV units, such rejection by the owner does not affect the family's position on CMHA waiting list for tenant-based assistance.

(3) CMHA may not take any of the following actions against an applicant who has applied for, received, or refused an offer of PBV assistance:

- (i) Refuse to list the applicant on CMHA waiting list for tenant-based assistance;
- (ii) Deny any admission preference for which the applicant is currently qualified;
- (iii) Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under CMHA selection policy;
- (iv) Remove the applicant from the waiting list for tenant-based voucher assistance.

**Leasing of PBV Contract Units [24 CFR 983.253]**

(a) *Owner selection of tenants.* (1

The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to an owner must promptly notify in writing any rejected applicant of the grounds for any rejection.

The owner must comply with 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking).

- *Size of unit.* The contract unit leased to each family must be appropriate for the size of the family under CMHA's subsidy standards.
- The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to tenant screening.

CMHA subsidy standards as outlined in Chapter 8 of the Administrative Plan will determine the appropriate unit size for family size and composition. If a family is in a wrong-size unit or a unit with accessible features that the family does not require, CMHA will notify the family and owner of the determination and offer the family an opportunity to receive continued housing assistance in another project based unit in the same building or another building within the project based contract with the owner. If the family does not accept the offer, does not move out of the wrong-size or accessible unit or both within 60 days of notification by CMHA, CMHA will terminate the housing assistance payments for the wrong-size or accessible unit.

### **Tenant Screening.**

(a) *CMHA option.* (1) CMHA has no responsibility or liability to the owner or any other person for the family's behavior or suitability for tenancy. However, CMHA may opt to screen applicants for family behavior or suitability for tenancy and may deny admission to an applicant based on such screening.

(2) CMHA must conduct any such screening of applicants in accordance with policies stated in CMHA administrative plan.

(b) *Owner responsibility.* (1) The owner is responsible for screening and selection of the family to occupy the owner's unit.

(2) The owner is responsible for screening of families on the basis of their tenancy histories. An owner may consider a family's background with respect to such factors as:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

CMHA will give the owner upon request the following information:

- The family's current and prior address (as shown in CMHA records); and
- The name and address (if known to CMHA) of the landlord at the family's current and any prior address.

When a family wants to lease a dwelling unit, CMHA may offer the owner other information in CMHA possession about the family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members.

The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to tenant screening.

### **Family Right to Move.**

(a) 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 their intent to vacate (with notice also to CMHA) in accordance with the lease.

(b) If the family has elected to terminate the lease in this manner, CMHA will offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

(c) Before providing notice to terminate the lease under paragraph (a) of this section, a family must contact CMHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher or other comparable tenant-based rental assistance is not immediately available upon termination of the family's lease of a PBV unit, CMHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

(1) The above policies do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, and the move is needed to protect the health or safety of the family or family member, or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move. CMHA may not terminate assistance if the family, with or without prior notification to CMHA, moves out of a unit in violation of the lease, if such move occurs to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit, or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.

(2) If a family breaks up as a result of an occurrence of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, CMHA may offer the victim the opportunity for continued tenant-based rental assistance.

If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

**When Occupancy may Exceed 25 Percent Cap on the Number of PBV Units in each Project.**

(a) Except as provided in §983.56(b), CMHA may not pay housing assistance under the HAP contract for contract units in excess of the 25 percent cap pursuant to §983.56(a).

(b) In referring families to the owner for admission to excepted units, CMHA must give preference to elderly and/or disabled families, or to families receiving supportive services.

(c) If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received FSS supportive services or any other service as defined in CMHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

(d) A family (or the remaining members of the family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception (i.e., a family that does not successfully complete its FSS contract of participation or the supportive services requirement as defined in CMHA administrative plan or the remaining members of a family that no longer qualifies for

elderly or disabled family status where CMHA does not exercise its discretion under paragraph (e) of this section) must vacate the unit within a reasonable period of time established by CMHA, and CMHA shall cease paying housing assistance payments on behalf of the non-qualifying family. If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the project in accordance with §983.207(a); or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations (e.g., a family fails, without good cause, to successfully complete its FSS contract of participation or supportive services requirement) shall be terminated by CMHA.

(e) CMHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly or disabled family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly or disabled family member or long term or permanent hospitalization or nursing care), the elderly or disabled family member no longer resides in the unit. In this case, the unit may continue to count as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualifying family.

**Relocation Assistance for Displaced Persons due to Project-Based Vouchers:**

Persons displaced as a result of a Project-Based Voucher Development will be eligible for Relocation Assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR part 24.

Relocation funds may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Relocation costs may not be paid from voucher program funds.

CMHA may require the Owner to establish a relocation plan and provide assurances of the following:

- A. As a landlord of residences receiving PBV assistance, Owner must provide a Relocation Plan that comports with the 24 CFR §983.7, which requires the items outlined in Exhibit "A" to this Addendum.
- B. Owner agrees that should the Department of Housing and Urban Development ("HUD") or CMHA, or any similarly situated state agency find that provisions of the URA were not followed then Owner is responsible for the following:
  - 1. Owner agrees that if HUD or CMHA determines that a current or former tenant did not receive the full amount of relocation assistance required, and then Owner shall ensure the proper payment as specified by HUD or CMHA is promptly made.

2. Any claims or complaints arising out of the relocation of tenants for Owner's project will be the sole monetary and programmatic responsibility of Owner.
3. Owner shall retain responsibility of ensuring the items outlined in its Relocation Plan are performed and will bear the cost of any damages arising from the failure to perform these obligations.

**CMHA's Responsibility:**

CMHA will require the owner of any PBV proposal to submit a copy of its relocation plan with its proposal documents. CMHA will require such owners to comply with The URA and 49 CFR part 24.

**Replacement Units:**

The Owner may relocate a resident to another unit within the related PBV development or other comparable replacement units that Owner has available. Other subsidized units may be utilized as replacement units as long as they are in conformance with other applicable URA rules and regulations. Additionally, at the sole discretion of CMHA, a displaced resident may receive preference on CMHA's Voucher Management Waitlist and/or Asset Management Waitlist.

**Non-Compliance**

An owner's noncompliance with the requirements of the URA and 49 CFR Part 24 is considered good cause to terminate the Agreement to Enter into Housing Assistance Payment Contract and/or the Housing Assistance Payment Contract.

**Terms**

"Excepted units" means units in a multifamily building that are specifically made available for qualifying families.

"Qualifying families" means:

Elderly or disabled families;

or

Families receiving supportive services.

It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. CMHA may 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 family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in CMHA's administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit will continue to count as an excepted unit for as long as the family resides in the unit. If a family in an excepted unit fails without

good cause to complete its FSS contract of participation or if the family fails to complete the supportive services, CMHA will take the actions provided under §983.261(d), and the owner may terminate the lease in accordance with §983.257(c). Also, at the time of initial lease execution between the family and the owner, the family and CMHA must sign a statement of family responsibility. The statement of family responsibility must contain all family obligations including the family's participation in a service program under this section. Failure by the family without good cause to fulfill its service obligation will result in termination of assistance. If the unit at the time of such termination is an excepted unit, the exception continues to apply to the unit as long as the unit is made available to another qualifying family.

CMHA will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement.

#### **Set-aside for qualifying families**

In leasing units in a multifamily building pursuant to the PBV HAP, the owner must set aside the number of excepted units made available for occupancy by qualifying families. CMHA will refer only qualifying families for occupancy of excepted units.

#### **Additional, local requirements promoting partially assisted buildings**

CMHA may establish local requirements designed to promote PBV assistance in partially assisted buildings. For example, CMHA may:

- Establish a per-building cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily building containing excepted units or in a single-family building,
- Determine not to provide PBV assistance for excepted units, or Establish a per-building cap of less than 25 percent.

#### **Description of supportive services**

Supportive housing services include but are not necessarily limited to:

- A private apartment;
- A service coordinator to help residents arrange for services;
- Access to support services 24 hours a day, as needed; or case management and support services;
- Personal care services;
- Housekeeping and laundry assistance;
- Grocery shopping;
- Transportation;
- Social activities;
- Medication reminders and assistance;
- Companions;
- Help with chores;
- Personal finance and household budget counseling;
- Access education, training, and/or job counseling; or
- On-site day care to enable parents to work or attend school.



### **Tenant Screening [24 CFR 982.255]**

CMHA has no responsibility or liability to the owner or any other person for the family's behavior or suitability for tenancy. CMHA does not screen PBV applicants for family behavior or suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. An owner may consider a family's background with respect to such factors as:

- Payment of rent and utility bills;

- Caring for a unit and premises;

- Respecting the rights of other residents to the peaceful enjoyment of their housing;

- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and Compliance with other essential conditions of tenancy.

Upon written request, CMHA will provide all owners with the following applicant information (if known):

- The family's current and prior address, as shown in CMHA's records, and

- The name and address of the landlord at the family's current and any prior address.

CMHA will provide the family with a written copy of CMHA's policy on providing information to owners.

The protections for victims of domestic violence, dating violence, sexual assault, and stalking in 25 CFR, part 5, subpart L apply to PBV tenant screening.

### **VACANCY PAYMENTS [24CFR § 983.352]**

(a) *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 ("move-out month"). However, the owner may not keep the payment if CMHA determines that the vacancy is the owner's fault.

(b) *Vacancy payment at PHA discretion.* (1) At the discretion of CMHA, the HAP contract may provide for vacancy payments to the owner (in the amounts determined in accordance with paragraph (b)(2) of this section) for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period **not exceeding** two full months following the move-out month.

(2) The vacancy payment to the owner for each month of the maximum two-month period will be determined by CMHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the

owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

(3) CMHA may make vacancy payments to the owner only if:

(i) The owner gives the CMHA prompt, written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief);

(ii) The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;

(iii) The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

(iv) The owner provides any additional information required and requested by CMHA to verify that the owner is entitled to the vacancy payment.

(4) The owner must submit a request for vacancy payments in the form and manner required by CMHA and must provide any information or substantiation required by CMHA to determine the amount of any vacancy payment.

CMHA will use all information available to determine date of vacancy including but not limited records from utility service providers, documentation from inspection reports, court records, etc. Vacancy payments will be considered for up to the two months immediately following the date of vacancy in accordance with sector 3 of this section.

#### **PBV Family's Right to Move [24 CFR 983.260]**

The PBV 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 (with a copy to CMHA) in accordance with the lease.

If the family has elected to terminate the lease in this manner, CMHA must offer the family the opportunity for continued tenant-based rental assistance in the form of assistance under the Housing Choice Voucher program or other comparable tenant-based rental assistance.

Before providing notice to terminate the lease, a family must contact CMHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. CMHA will maintain a separate wait list for families electing to move from the project-based unit to obtain tenant based assistance as a participant of the HCV program.

Requests will be maintained according to date and time of voucher request from eligible households. Families will be issued vouchers in a ratio of up to 10 requests pulled per 100 families drawn from the HCV Tenant Based wait list. Families residing in project-based projects as a result of a RAD conversion of public housing units will have a preference over families in non RAD PBV projects.

The preference points will be **30 points** for PBV units as a result of a public housing conversion.

If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

### **C. Rental Assistance Demonstration Program (RAD)**

#### **PHA-Owned Units**

**Regulation:** 24 CFR §983.3, 24 CFR §982.352, and 24 CFR §982.628(d)

**HOTMA Reference:** Sec. 105, which amends Sec. 8(o) (11) of the Act

**Applicable Programs:** HCV (including the Homeownership Option) and PBV

**Summary of Change:** HOTMA defines the term “owned by a PHA,” overriding the definition of PHA-owned units previously established in regulation under 24 CFR §983.3, 24 CFR §982.352, and 24 CFR §982.628(d). This Attachment A and Attachment B supersede Notice PIH 2015–05, Section III, in its entirety.

**Content:** For a unit that is PHA-owned according to the HOTMA definition, a PHA must identify and use an independent entity to perform certain functions. Attachment B of this notice discusses the responsibilities of independent entities for PHA-owned units.

The provisions of this Attachment A apply to the PBV program and to the HCV program (including the Homeownership Option), except where otherwise noted.

- (1) **Definition of PHA-owned units.** In accordance with HOTMA, a unit is “owned by a PHA” if the unit is in a project that is:
  - (a) Owned by the PHA (which includes a PHA having a “controlling interest” in the entity that owns the unit);
  - (b) Owned by an entity wholly controlled by the PHA; or
  - (c) Owned by a limited liability company (LLC) or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner.

“Controlling interest” means:

- (a) Holding more than 50 percent of the stock of any corporation; or
- (b) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; or
- (d) Holding more than 50 percent of all managing member interests in an LLC; or
- (e) Holding more than 50 percent of all general partner interests in a partnership; or

- (f) Having equivalent levels of control in other ownership structures. Most ownership structures are already covered in the categories listed above. This last category is meant to cover any ownership structure not already listed in the categories above. Also, under this category (f), a PHA must have more than 50 percent control in that ownership structure (an equivalent level of control) for the project to be considered PHA-owned.

#### ***PHA-Owned Project: Example***

*PHA A holds more than 50 percent of the stock in ABC Projects, and ABC Projects is a corporation that owns the project to which PBV assistance will be attached. In this case, the project is considered PHA-owned.*

- (2) Units not PHA-owned. The previous definition of PHA-owned (as established in regulation) was more expansive than the HOTMA definition. Under the previous definition, if a PHA held any interest (direct or indirect) in a project, then the project was considered to be PHA-owned. The following list offers examples of scenarios under which a unit is not considered to be PHA-owned under the HOTMA definition:
  - (a) The PHA holds a fee interest as ground lessor of the property on which the building is situated, but no ownership interest in the building or unit itself.
  - (b) The PHA holds only a security interest under a mortgage or deed of trust on the unit; or
  - (c) The PHA has only a non-controlling interest in an entity that owns the unit or in the managing member or general partner of an entity that owns the unit. Following the example above, assume PHA A holds only 45 percent of ABC Project's stocks, which is below the threshold that constitutes a controlling interest in the corporation that owns the project. In this case, the project is not considered to be PHA-owned.

As it relates to the PBV program, the new section 8(o)(13)(N) of the Act allows a PHA to attach PBVs to a project in which the PHA has an ownership interest or over which the PHA has control, without following a competitive process, but only in cases in which the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site. In this context, the PHA's ownership interest does not have to meet the definition of the term "owned by a PHA" established by section 105 of HOTMA. Information on what constitutes an ownership interest or control for purposes of section 8(o)(13)(N) is found in Attachment L of this notice.

- (3) Classifying a unit as not PHA-owned. The new definition of PHA-owned is in effect as of April 18, 2017, and applies to all PBV projects. An opinion from the PHA's legal counsel that a unit is not PHA-owned is required under the following two scenarios:
  - (a) The change in definition results in a project that was PHA-owned under the previous definition and was under HAP or AHAP before April 18, 2017, to no longer be PHA-owned.
  - (b) A change in ownership structure results in a project no longer meeting the definition of PHA-owned in effect as of April 18, 2017.

The project remains classified as PHA-owned for purposes of program requirements and monitoring until the PHA obtains an opinion from its legal counsel that the project is no longer PHA-owned for a project that fits into one of the above two categories. Except for the two instances described above, a PHA is not required to obtain a legal opinion when determining if a unit is PHA-owned. Once the legal opinion has been obtained, the PHA is no longer required to use an independent entity to perform the applicable responsibilities (as described in Attachment B) concerning the project. The PHA must keep the legal opinion in its files for the length of the PBV HAP contract, the HCV HAP contract, or Homeownership assistance, as applicable.

- (4) Classifying a PBV project as PHA-owned due to a change in ownership. If an ownership structure changes in a manner that would cause a project to become classified as PHA-owned (e.g., the PHA ownership interest is increased to an amount greater than 50 percent), then the PHA must identify to the local HUD Field Office of Public Housing, in writing, within 30 days of the change in ownership, the proposed independent entity that will perform the applicable independent entity responsibilities. See Attachment B of this notice for more information on independent entities.
- (5) Contract requirements for PHA-owned units. Because the HAP contract administrator and the owner cannot be the same legal entity (i.e., the PHA acting as contract administrator cannot execute a contract with itself as the owner of the PBV or HCV units), the PHA must establish a separate legal entity to serve as the owner. Such entity may be one of the following:
  - (a) A non-profit affiliate or instrumentality of the PHA;
  - (b) A limited liability corporation;
  - (c) A limited partnership;
  - (d) A corporation; or
  - (e) Any other legally acceptable entity recognized under State law.

Such an entity would serve as the owner only for purposes of execution of the HAP contract. In cases where the independent entity is required to notify the PHA, the notification requirement is satisfied by notifying the PHA itself. The entity that is serving as the owner for purposes of contract execution does not need to be notified as well.

- (6) Rental Assistance Demonstration (RAD). As it pertains to conversions to the PBV program under RAD, the definition of control/ownership provided under the RAD notice (PIH-2012-32 (HA) H-2017-03, REV-3 or successor) is used specifically to determine whether a PHA retains sufficient control over a project for purposes of HUD's requirement for ownership or control of the Covered Project by a public or non-profit entity for RAD conversions.
- (7) For purposes of determining whether the PHA will be required to use an independent entity to perform certain functions concerning the project, the provisions of this notice apply to RAD PBV conversions. This means that, under certain circumstances (such as when the PHA holds only a fee interest as ground lessor in the property in which the unit is situated), a project may meet the RAD definition of ownership or control, but may not be considered to be PHA-owned under this notice. In such a circumstance, the PHA would not

be required to use an independent entity.

**Attachment B: PHA-Owned Units and Independent Entities**

**Regulation:** 24 CFR §983.59, 24 CFR §982.352, and 24 CFR §982.628(d)

**HOTMA Reference:** Not applicable

**Applicable Programs:** HCV (including the Homeownership Option) and PBV

**Summary of Change:** HUD is changing the existing policy for independent entity review and approval by superseding the requirements established under Section III of Notice PIH 2015–

05. Notice PIH 2015–05 required a PHA to submit documentation that demonstrated or supported the independent nature of the parties' relationship. With the publication of this notice, PHAs must, instead, submit a joint certification as explained in paragraph 3, HUD independent entity approval, below.

The requirement to submit a joint certification is a change to HUD policy as laid out in the aforementioned PIH notice; it is not a change resulting from the enactment of HOTMA. HUD expects that this change will ease PHA administrative burden because PHAs will no longer need to produce documentation (such as financial statements, legal documents showing the structure of each organization, etc.) showing the independent nature of the parties. While HUD retains the right to request more information, HUD expects that this will be unnecessary in the majority of cases. This attachment also provides some examples of independent entities and includes tables that provide a visual representation of independent entity functions.

If a unit is considered PHA owned (based on the definition of PHA-owned unit, as explained in Attachment A of this notice), then Section 8(o)(11) of the Act requires that the unit of general local government or a HUD-approved independent entity perform certain functions for such units. If the PHA itself is the unit of general local government or an agency of such government, then the next level of general local government may perform such functions without HUD approval. For example, if the PHA itself is the city or an agency of the city, then the county or state government may perform the functions without HUD approval.

In cases where there is no next level of general local government (e.g., the PHA is an agency of the state) or the PHA opts not to have independent-entity functions performed by the next level of general local government, then the PHA must retain the services of an independent, HUD-approved public or private entity.

For purposes of this attachment, the term "independent entity" refers to either the unit of general local government or the HUD-approved independent entity, as applicable. The provisions of this attachment apply to the HCV program (including the Homeownership Option) and the PBV program, except where otherwise noted.

PHAs are encouraged to maintain all documentation related to independent entity functions and approvals in the project file for the duration of the HAP contract.

- (1) Relationship between the PHA and the independent entity. As stated previous HUD guidance, the independent entity and PHA must be autonomous. That is, the parties must not be connected legally, financially (except with regard to compensation for services performed for PHA-owned units), or in any other manner that could cause either party to be improperly influenced by the other. For example, the independent entity must not include individuals who have a relationship with the PHA or the project that would interfere with the entity's exercise of independent judgment in carrying out responsibilities as they relate to the PHA-owned units.

Further, the independent entity must have the ability to perform its responsibilities in an unbiased manner, and the PHA must not take any action that could prevent the independent entity from making unbiased determinations related to its responsibilities. Examples of independent entities include, but are not limited to: PHA vendors, real estate agencies, non-profit social services agencies with affordable housing experience, and law firms specializing in affordable housing law (for example, to perform the review of the PBV selection process).

- (2) Independent entity functions. The independent entity is responsible for performing certain functions for PHA-owned units. The table below provides an overview of each function to be performed by the independent entity, and its regulatory basis, under the PBV program and the HCV program (including the Homeownership Option). Any additional information on a particular function is discussed following the overview table.

Table 1: Overview of Independent Entity Functions

Function	Applicable Program: Regulatory Basis
Review the PHA's PBV selection process.	PBV: 24 CFR §983.51(e)
Establish PBV contract rents (initial rent to owner and redetermined rent to owner).	PBV: 24 CFR §983.59(b)(1) PBV: 24
Determine rent reasonableness.	PBV: 24 CFR §983.303(f)(1) HCV: 24 CFR
Determine reasonableness of the sales price and any PHA- provided financing under the Homeownership Option.	Homeownership: 24 CFR §982.628 (d)(3)(iv)
Provide a copy of the rent reasonableness determination to the PHA and the HUD field office where the project is located.	PBV: 24 CFR §983.303(f)(2)
Notify the PHA and the family of the rent reasonableness determination.	HCV: 24 CFR §982.352(b)(1)(iv)(A)(1)

Function	Applicable Program: Regulatory Basis
	PBV: 24 CFR §983.103(f)(1) HCV: 24 CFR §982.352(b)(1)(iv)(A)(3) Homeownership: 24 CFR §982.628 (d)(3)(i)
Provide a copy of the inspection report to PHA and HUD field office where the project is located.	PBV: 24 CFR §983.103(f)(2) and (3)
Communicate the results of the inspection to the family and the PHA.	HCV: 24 CFR §982.352(b)(1)(iv)(A)(3)
Review the inspection report prepared by the independent inspector designated by the family under the Homeownership Option.	Homeownership: 24 CFR §982.628 (d)(3)(ii)
Review the contract of sale under the Homeownership Option.	Homeownership: 24 CFR §982.628 (d)(3)(iii)
Assist the family in negotiating the rent with the owner.	HCV: 24 CFR §982.352(b)(1)(iv)(A)(2)
Establish term of initial and any renewal HAP contract as required in 24 CFR §983.205.	PBV: 24 CFR §983.59(b)(2)
Inspect units.	PBV: 24 CFR §983.59(b)(3)

- (a) Review of the PHA's PBV selection process. As it relates to the PBV selection process, the PHA may either choose to use an independent entity or request that the local HUD Office of Public Housing perform the review. Non- competitive selections must also be reviewed to ensure that the selection was done properly. At a minimum, the PHA must submit the following to the HUD Field Office or the independent entity, as applicable:
- (i) All proposals submitted for PBV assistance in connection with the particular selection, including proposals submitted for selection in accordance with 24 CFR §983.51(b)(2);
  - (ii) A copy of the relevant section of the PHA's Administrative Plan;
  - (iii) A copy of any standard operating procedures, worksheets, checklists, or any other work product used in the selection of PBV



proposals; and

- (iv) If the proposal was selected pursuant to a request for proposals in accordance with 24 CFR §983.51(b)(1), a copy of the solicitation; or
- (v) If the proposal was selected pursuant to a qualifying previous competition in accordance with 24 CFR §983.51(b)(2), a copy of the proposal for the previous competition, and any award letter provided in connection with the previous competition. If proposals from a previous competition are not retrievable, other documentation that demonstrates that the requirements of 24 CFR §983.51(b)(2) are met (e.g., proposal selected within 3 years of the PBV proposal selection date, proposal selected in accordance with the applicable program's competitive selection requirements, etc.).

The HUD Field Office or HUD-approved independent entity may request from the PHA additional documentation necessary to complete the review process. The PHA's selection procedures must apply to all PBV proposals and must be designed in a manner that does not effectively eliminate the submission of proposals for non-PHA-owned units or give undue preferential treatment (e.g., additional points) to PHA-owned units. The HUD Field Office or HUD-approved independent entity must provide a letter stating that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA's Administrative Plan before the PHA may finalize the selection process.

Under HOTMA, certain PBV units may be attached to a project without a competitive selection process. More information may be found in Attachment L of this notice.

The review of the PHA selection process is waived for RAD PBV conversions.

- (b) PBV rent determinations. The independent entity determines rent (initial rent to owner and redetermined rent to owner) for PHA-owned units in accordance with the same requirements as for other PBV units. PBV rent determination requirements are found at 24 CFR Part 983, Subpart G.

Rent to owner is redetermined by written notice from the independent entity to the PHA specifying the amount of the redetermined rent. The independent entity notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. Such amendments must be documented by a signed exhibit to the HAP contract.

The independent entity redetermines rent for RAD PBV units. That is, the independent entity is responsible for conducting the rent reasonableness determination and for processing Operating Cost Adjustment Factor (OCAF) adjustments for RAD PBV units.

- (c) Term of existing PBV HAP contracts. The term of a HAP contract and any HAP contract extension for PHA-owned units must be agreed upon by the PHA and the independent entity. HOTMA provides that the initial term of a HAP contract may be up to 20 years (increased from 15 years) and that a HAP contract may be extended for an additional 20 years (again, increased from 15 years). See Attachment G of this notice for more information about this change.

- (d) Inspection requirements. Independent entities are responsible for conducting

all required inspections for PHA-owned units in accordance with program requirements. The PHA must provide families with up-to-date contact information for the independent entity and explain that a family requesting an inspection of the unit makes such a request directly to the independent entity. See Appendix IV of this notice for more information on HCV, Homeownership, and PBV inspection requirements.

(3) HUD independent entity approval. This section discusses what information must be submitted, when it must be submitted, and other requirements related to the HUD independent entity approval process.

(a) What information to submit. The PHA must include in its submission to the local HUD Office of Public Housing a joint PHA and independent entity certification, which certifies that the PHA and the proposed entity have no legal, financial, or any other connection that could cause either party to be improperly influenced by the other and that the proposed independent entity will perform its responsibilities as it relates to the PHA-owned units in an unbiased manner. The certification must be dated and signed by the executive director, or equivalent position, of the PHA and the independent entity. The certification must clearly state the name, address, and point of contact for both the PHA and the proposed independent entity.

The HUD Office of Public Housing retains the discretion to accept the certification on its face or to request additional information, or to use information available to the HUD Office, to question the validity of the certification.

(b) When to submit. The PHA must submit the independent entity for approval before the function to be performed by the entity takes place. In determining when to submit the independent entity for approval, a PHA must consider the functions that are required to be performed by the independent entity, whether the PHA will use more than one independent entity for different functions, the HUD processing time, and how all of these elements interplay with the expected action (HCV HAP contract execution, homeownership closing, PBV proposal selection, etc.).

(c) Using different independent entities. If the PHA plans to use different independent entities to perform different functions, or different independent entities at different projects, the PHA must submit for approval each independent entity it plans to use and identify the function the entity will perform. PHAs are not required to submit all independent entities at the same time.

(d) Previously approved independent entities. Once an independent entity has been approved by HUD, the PHA may use that same independent entity for other PHA-owned units or for other functions. If the PHA will use an independent entity to perform a function other than the function for which the independent entity was previously approved, then the PHA must certify in writing to HUD that it will use a previously HUD-approved independent entity to perform a new function, which must be identified in the certification. The certification must include the name of the independent entity and be dated and signed by the executive director, or equivalent position, of the PHA. The certification must clearly state the name, address, and point of contact for both the PHA and the independent entity. The entity must be qualified to perform the function or the local HUD Office of Public Housing may deny approval. For example, a law firm that was previously approved to review a PBV selection review process may not be an appropriate independent entity for the purpose of conducting inspections.

(4) Payment for independent entity services. Payment for services performed by the independent entity are the responsibility of the PHA (24 CFR 983.59(d)). The PHA may compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve (i.e., Unrestricted Net Position)). The PHA may not use other HUD program receipts to compensate the independent entity for its services. MTW agencies may use other sources of funds for these purposes provided that if such use is consistent with the MTW agency's HUD- approved MTW plan. Neither the PHA nor the independent entity may charge any family that occupies or will occupy a PHA-owned unit any fee for the services provided by the independent entity.

### **Attachment C: Percentage Limitation (Program Cap) and PHA Submission Requirements**

**Regulation:** 24 CFR §983.6

**HOTMA Reference:** Sec. 106(a)(2), which amends Sec. 8(o)(13)(B) of the Act

**Applicable Program:** PBV

**Summary of Change:** Under HOTMA, a PHA may project-base up to 20 percent of its Consolidated Annual Contributions Contract (ACC) authorized units, instead of 20 percent of its voucher budget authority. HOTMA also establishes a 10 percent exception to this program cap (discussed in Attachment D), for units that meet the exception criteria. The changes implemented by the January 18, 2017, implementation notice supersede the reporting requirements at 24 CFR §983.6 and are explained in detail in paragraph (2), below. This Attachment C supersedes Notice PIH 2015–05, Section II, in its entirety.

**Content:** As described below, HOTMA authorizes a PHA to attach PBV assistance to not more than 20 percent of its ACC authorized units instead of 20 percent of its voucher budget authority. For purposes of this provision, the term “authorized units” means the number of units under the PHA’s current ACC. A PHA may confirm this number in the Inventory Detail feature of the Inventory Management System/PIH Information Center (IMS/PIC). IMS/PIC may be accessed at the following HUD webpage: [Inventory Management System \(IMS\)/PIH Information Center \(PIC\)](#).

HOTMA did not change the requirement that a PHA provide advance notice to its HUD field office of its intent to project-base vouchers. While a PHA is no longer required to submit evidence of sufficient budget authority as part of this advance notice, it must still ensure that it will have budget authority sufficient to cover the PBV HAP contract at the point of contract execution.

Among other things, this Attachment describes what must be submitted to HUD, when it must be submitted, how it must be submitted, and how HUD will respond.

- (1) Calculations. Appendix I provides PBV program cap calculation instructions that complement a sample *PBV Program Cap Calculation Worksheet*. The sample worksheet is available at the following webpage: [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/project](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project). Use of the sample worksheet is optional, and submission to HUD is not required.
- (2) Revised requirements for notification to HUD.
  - (a) What must be submitted. The PHA must submit to the local HUD Office

of Public Housing all of the following information:

- (i) The number of units authorized under the ACC for the PHA;
  - (ii) The number of PBV units entirely excluded from the percentage limitation (as described in Attachment F of this notice);
  - (iii) The number of units qualifying under the 10 percent program cap exception category (as described in Attachment D of this notice);
  - (iv) The number of units currently committed to PBV (excluding those PBV units meeting an exception under Attachment D or F of this notice). To arrive at the “number of units committed to PBV,” total the number of units that are:
    - (I) Currently under PBV HAP contract;
    - (II) Under an Agreement to Enter into HAP contract (AHAP); and/or
    - (III) Covered by a notice of proposal selection (24 CFR §983.51(d)); and
  - (v) The number of units to which the PHA is proposing to attach project- based assistance through the new RFP or selection.
- (b) When a PHA must submit information to HUD. The above information must be submitted no later than 14 calendar days prior to undertaking any of the following actions:
- (i) Issuing a request for proposals (RFP) (24 CFR §983.51(b)(1));
  - (ii) Selecting a project based on a previous competition (24 CFR §983.51(b)(2)); or
  - (iii) If applicable, selecting a project without following a competitive process (see Attachment L of this notice).
- (c) How to submit information to HUD. The required information must be submitted by email to [pbvsubmission@hud.gov](mailto:pbvsubmission@hud.gov).
- (d) HUD response. HUD will respond to the submission by email, identifying whether HUD has identified any issues with the submission. For example, if there is a material error in the PHA’s calculations that would result in the PHA exceeding the 20 percent percentage limitation, HUD will inform the PHA of this via email. A PHA must await a response from HUD prior to proceeding with the proposal.

HUD’s review and approval of the submission does not mean that it has confirmed availability of the PHA’s budget authority, as this is the responsibility of the PHA.

**Attachment D: PBV Percentage Limitation — 10 Percent Increase for Eligible**

**Units Regulation:** 24 CFR §983.6

**HOTMA Reference:** Sec. 106(a)(2), which amends Sec. 8(o)(13)(B) of the Act

**Applicable Program:** PBV

**Summary of Change:** Under HOTMA a PHA may project-base an additional 10 percent of its ACC authorized units above the 20 percent program limit, provided the additional units fall into one of the eligible exception categories.

**Content:** In this Attachment, the eligible exception categories are explained. The units eligible for inclusion in this 10 percent exception category may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. For example, if 10 percent of ACC authorized units is 100, the PHA may project base 50 units for homeless families and 50 units for units providing supportive housing to persons with disabilities or elderly persons.

(1) Exception Categories.

- (a) Homeless. The units are specifically made available to house individuals and families who meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR §578.3. The definition of homeless is included below for convenience:<sup>1</sup>
- (i) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (ii) An individual or family who will imminently lose their primary residence
- Assistance and Rapid Transition to Housing
  - Continuum of Care Program;
  - Interim Final Rule nighttime residence, provided that:
  - The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - No subsequent residence has been identified; and
  - The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

- (iii) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
- Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 1437e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (iv) Any individual or family who:
- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - Has no other residence; and
  - Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.
- (b) Veterans. The units are specifically made available to house families that are comprised of or include a veteran. A veteran is an individual who has served in the United States armed forces. The PHA may further define "veteran" in its Administrative Plan for purposes of determining if the units

are eligible for this exception. For example, a PHA may choose to include in its definition of “veteran” an individual with an “other than dishonorable” discharge status who is ineligible for healthcare provided through the Veterans Health Administration. PHAs have discretion in establishing verification of eligibility.

HUD-awarded vouchers specifically designated for project-based assistance out of HUD-VASH appropriated funding are already excluded from the program cap and are not to be included under this 10 percent exception category. See Attachment F of this notice for additional information.

- (c) Supportive services. The units provide supportive housing to persons with disabilities or to elderly persons. For the purpose of this exception, supportive housing means: A project that makes supportive services available for all of the assisted families in the project and provides a range of services tailored to the needs of the residents occupying such housing. Such services may include (but are not limited to):

- meal service adequate to meet nutritional need;
- housekeeping aid;
- personal assistance;
- transportation services;
- health-related services;
- case management;
- child care;
- educational and employment services;
- job training;
- counseling; or
- other services designed to help the recipient live in the community as independently as possible.

A PHA must include in its Administrative Plan the types of services offered to families for a project to qualify for the exception and the extent to which such services will be provided (e.g., length of time services will be provided to a family, frequency of services, and depth of services). Such supportive services need not be provided by the owner or on-site, but must be reasonably available to the families receiving PBV assistance in the project. A PHA must not require participation in the supportive services as a condition of living in an excepted unit.

In accordance with 24 CFR §983.354, with the exception of an assisted living facility, the owner of a PBV project may not require the assisted family to pay charges for meals or supportive services, and non-payment of such charges by the family is not grounds for termination of tenancy. In the case of an assisted living facility (as defined in 24 CFR §983.3) receiving PBV assistance, owners may charge families for meals or supportive services. These charges may not be included in the rent to owner or the calculation of reasonable rent.

- (d) Poverty rate of 20 percent or less. The units are located in a census tract with

a poverty rate of 20 percent or less, as determined in the most recent American Community Survey 5-Year Estimates. A project that qualifies for the increased project cap at the time of HAP contract execution continues to qualify for the exception for the length of the contract regardless of changes in the poverty rate for the census tract in which the project is located. To view poverty rates by census tract, click [here](#).

The above categories are separate and distinct from exceptions to the income-mixing requirement (project cap), which limits the number and percentage of units within a particular project to which PBV assistance may be attached. These exceptions are discussed in Attachment E of this notice. (Units that are exempt from both the program cap and the project cap are discussed in Attachment F.)

- (2) Impact on existing contracts. PBV units that fall into one of the four categories listed above may be covered by this 10 percent exception authority only if the units are covered under a HAP contract that was first executed on or after April 18, 2017 (the effective date of the January 18, 2017, implementation notice).

Units added on or after April 18, 2017, through an amendment of a HAP contract that was first executed prior to April 18, 2017, are not eligible for this 10 percent exception authority.

A PHA need not meet the 20 percent program cap before it can designate eligible units for the 10 percent exception category. For example, if a PHA has project-based 10 percent of its units under the percentage limitation and wants to project-base 5 percent of its units under the 10 percent exception category, it may do so. This PHA would have 10 percent remaining under the percentage limitation and 5 percent remaining under the 10 percent exception authority.

A PHA proposal that would result in the PHA exceeding either the 20 percent program cap or the 10 percent exception from the program cap will be rejected by the HUD field office. As long as a PHA has not exceeded the 30 percent limit, it may correct its proposal by moving units from one category to the other, as long as only eligible units are counted toward the 10 percent exception from the program cap.

- (3) Submission requirements. See Appendix I on calculating the number of voucher units that may be project-based. If a PHA wishes to add PBV units under this exception authority, then the PHA must identify the exception category for which the additional units will be project-based and the specific number of units that qualify under the exception category in its transmittal of the submission requirements described in Attachment C of this notice.

#### **Attachment E: Income-Mixing Requirement (Project Cap)**

**Regulation:** 24 CFR §983.56(a), 24 CFR §983.56(b)(1) and (2), 24 CFR §983.261(c) and (d)

**HOTMA Reference:** Sec. 106(a)(3), which amends Sec. 8(o)(13)(D) of the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA amends the income-mixing requirement for an individual project (i.e., the project cap) so that the limitation on the number of PBVs in a project is now the greater of 25 units or 25 percent of the units in a project. Previously, the limitation was 25 percent of the units in a project.



HOTMA also makes changes to the exceptions to the project cap. The following units are excluded from the 25 percent or 25-unit project cap:

- Units exclusively serving elderly families.
- Units housing households eligible for supportive services available to all families receiving PBV assistance in the project.

Also, units in projects that are in a census tract with a poverty rate of 20 percent or less are subject to a higher (40%) cap.

Lastly, HOTMA provides that HUD may establish additional requirements for monitoring and oversight of projects in which more than 40 percent of the dwelling units are assisted under a PBV HAP contract.

The previous statutory definition of project for these purposes remains the same. That is, a project may be a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. See Appendix II, paragraph (7), of this notice for more information.

**Content:**

- (1) Project cap. The limitation on the number of units that may be project-based in an individual project is now the greater of 25 units or 25 percent of the units in a project. Below is an example to help illustrate this change. This example is meant only to illustrate this change, and does not take into account the exceptions discussed later in this section.

**Project Cap: Example**

Total Units in ABC Project	60
Post-HOTMA Project Cap (greater of 25 units or 25 percent of units in project)	25
Pre-HOTMA Project Cap (25 percent of units in project)	15

If a project contains 25 or fewer units, the PHA may place every unit in the project under the PBV HAP contract.

- (2) Exceptions to project cap. An exception to the project cap means that a particular category of units is excluded altogether from the 25 percent or 25-unit project cap. As of April 18, 2017, the exceptions to the project cap are:
  - Units exclusively serving elderly families.
  - Units housing households eligible for one or more supportive services available to all families receiving PBV assistance in the

project.

A PHA is not limited with respect to the number of units in a project it can make available for an excepted category or categories. A PHA may designate 100 percent of the units in a project for occupancy by an excepted category (or categories).

Prior to HOTMA, dwelling units specifically made available for households comprised of elderly families, families with a household member with disabilities, and families receiving supportive services were excepted from the project cap. HOTMA retains the exception for elderly families. It modifies the exception for families receiving supportive services so that such families must simply be “eligible for” supportive services (see section (3)(b) of this attachment). HOTMA eliminates the exception for families with a household member with disabilities.

With respect to PBV units that were excepted from the income mixing requirement under the pre-HOTMA exception for families with a household member with disabilities, the PHA must generally continue to operate under the terms of that existing contract. In other words, the pre-HOTMA exception for families with a household member with disabilities continues to apply for those units and the PHA would refer families with a household member with disabilities to the owner to fill vacancies for units covered by this pre-HOTMA exception under the HAP contract. See section 6 of this attachment for information on the impact of the HOTMA changes on excepted units for existing contracts and how changes can be made to serve additional populations.

#### Exceptions to Project Cap: Example

ABC Project has a total of 60 units. Twenty of the 60 units are PBV units specifically for elderly families. Units exclusively serving elderly families are excepted from the project cap. The project cap for ABC Project is 25 units (greater of 25 units or 15 units (25 percent of units in project)). A total of 45 units may be project-based in ABC Project (project cap of 25 plus the 20 excepted units).

- (3) Qualifying families. With respect to units excepted from the income mixing requirement under the HOTMA exception categories, the PHA may refer only qualifying families for occupancy of excepted units under (a) and (b) below.
- (a) Units for elderly families. Units that are exclusively made available to elderly families are excepted from the project cap. The term elderly family is defined in 24 CFR §5.403 as follows: “Elderly family means a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.”

It is not necessary that the entire project or buildings within the project be designated as elderly in order for the exception to apply. Under the PBV program, projects are not “designated” as elderly as is the case in other programs, such as the Public Housing or Section 202 Elderly Programs. The owner must identify under the HAP contract, however, the particular number of units that are exclusively made available for elderly families. As each unit turns over, the PHA may amend the HAP contract to transfer the exception status from one unit to another, provided it is possible to substitute a different unit for the formerly excepted unit in the project in accordance with 24 CFR

§983.207(a).

As provided under 24 CFR §983.262(e), a PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death or long-term or permanent hospitalization or nursing care of the elderly family member), the elderly family member no longer resides in the unit. In this case, the unit may continue to count as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualifying family, unless it is possible to transfer the exception status to another unit as described in the paragraph above.

- (b) Units for households eligible for supportive services. Under HOTMA, dwelling units that are exclusively made available to “households eligible for supportive services that are made available to the assisted residents of the project, according to the standards for such services the Secretary may establish” are excepted from the project cap. Previously, the supportive services exception applied only if the family was receiving supportive services.

In order for the supportive services exception to apply to a unit, the project must make supportive services available to all assisted families in the project, and the family must be eligible for one or more of the services. The family may, but is not required to, participate in the services. A PHA may not require participation in supportive services as a condition of living in an excepted unit, which means that a PHA may not rely solely on a supportive services program that would require the family to engage in the services once enrolled, such as the Family Self-Sufficiency (FSS) program, for the unit to qualify for the supportive services exception.

The exception applies to any household eligible for the supportive services and is not limited to households with a family member with a disability. The supportive services do not need to be provided by the owner or on-site, but the services must be reasonably available to the families receiving PBV assistance in the project and designed to help the families in the project achieve self-sufficiency or live in the community as independently as possible.

A PHA must include in its Administrative Plan the type of services offered to families for the units to qualify under the exception and the extent to which such services will be provided (e.g., length of time services will be provided to a family, frequency of services, and depth of services). A PHA may offer FSS as part of the supportive services package, but must not rely solely on FSS to meet the exception.

HUD encourages PHAs to consider how the structure of their supportive services package may impact a family's continued eligibility for the supportive services and the unit's excepted status. The unit loses its excepted status if the family becomes ineligible for the supportive services during its tenancy, provided that: (i) the family becomes ineligible for *all* supportive services available to the family, *and* (ii) the family becomes ineligible for reasons other than successfully completing the supportive services objective. A family that becomes ineligible for the supportive services during its tenancy cannot be terminated from the program or evicted from the unit. If the unit loses its excepted status, and the PHA does not want to reduce the number of excepted units in its project-based portfolio, the PHA may:

- (i) Substitute the excepted unit for a non-excepted unit if it is possible to do so in accordance with 24 CFR §983.207(a). A PHA may wish to consider

whether adding units to the HAP contract is an appropriate strategy to allow for the substitution of units. For example, Bay View Project has a total of 100 units. 50 of those units are under a PBV HAP contract and are all excepted units. In this case, the PHA may add non- excepted units to the contract (provided it is possible to do so under PBV requirements) to allow for the substitution of the excepted unit for the non-excepted unit. See section 6 of this attachment for more information on adding units to existing HAP contracts.

- (ii) Remove the unit from the PBV HAP contract, and provide the family with tenant-based assistance. Once the family has moved from the unit, add the unit back to the contract in accordance with 24 CFR §983.207(b), as amended by HOTMA. Any family newly admitted to the unit must be eligible for supportive services in order for the unit to retain its excepted status.

In the case of a family that chooses to participate in the supportive services, as described by the PHA in the Administrative Plan, and successfully completes the supportive services objective, as defined by the PHA in its Administrative Plan, the unit will continue to be an excepted unit under this category for as long as the family resides in the unit.

- (4) Other units not subject to the percentage limitation and project cap. The details and requirements of this exception category are described in Attachment F of this notice.
- (5) Increased project cap. Up to the greater of 25 units or 40 percent (instead of the greater of 25 units or 25 percent) of the units in a project may be project-based when the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey 5-Year Estimates. A project that qualifies for the increased project cap at the time of HAP contract execution continues to qualify for the exception for the length of the contract regardless of changes in the poverty rate for the census tract in which the project is located. To view poverty rates by census tract, click [here](#).

HOTMA also provides that the 40 percent unit exception applies to projects in areas where vouchers are difficult to use, as determined by HUD. HUD has not yet defined and implemented the exception authority for these “difficult to use” areas. Therefore, the 40 percent exception applies only to census tracts with poverty rates of 20 percent or less until further notice.

#### Increased Project Cap: Example

ABC Project has a total of 80 units. ABC Project is located in a census tract with a poverty rate of 20 percent or less. The project cap for ABC Project is 32 units (greater of 25 units or 32 units (40 percent of units in project)).

- (6) Effect on existing contracts. Owners under HAP contracts in effect prior to April 18, 2017, the effective date of the January 18, 2017, implementation notice, remain obligated by the terms of those HAP contracts with respect to the requirements that apply to the number and type of excepted units in a project. That is, the owner must continue to designate the same number of contract

units and assist the same number and type of excepted units as provided under the HAP contract during the remaining term of the HAP contract, unless the owner and the PHA mutually agree to change those requirements.

#### Effect on Existing Contracts: Example

An owner has a PBV HAP contract for a 20-unit project, and the HAP contract provides that 15 of those units were excepted from the 25 percent income-mixing requirement, because the units are designated for elderly families. The owner must continue to designate those units for occupancy by elderly families, notwithstanding the fact that the statutory limit on PBV has been increased to 25 units, unless the owner and the PHA mutually agree to change the terms of the assistance contract.

The PHA and owner may agree to change such HAP contract requirements as it pertains to the exception categories of elderly families and families eligible for supportive services. The PHA and owner must not change the terms of an existing HAP contract to add a new category of excepted unit (such as those under a rent restriction as defined in Attachment F of this notice), because those provisions may only be applied to contracts that become effective on or after April 18, 2017, the effective date of the January 18, 2017, implementation notice.

For projects that are using the former supportive services statutory exemption (which required that the family be receiving the supportive services) and /or the exemption for families with a household member with disabilities, the PHA and the owner will continue to operate under the pre-HOTMA requirements and will continue to renew their HAP contracts under the old requirements, unless the PHA and the owner agree by mutual consent to change the conditions to conform with the HOTMA requirement. The PBV HAP contract may not be changed to conform with the HOTMA requirement if the change would jeopardize an assisted family's eligibility for continued assistance at the project (e.g., the excepted units at the project include units designated for families with a household member with disabilities, and changing to the HOTMA standard would result in those units no longer being eligible as excepted units unless the owner makes supportive services available to all assisted families in the project).

A HAP contract may be amended, at the discretion of the PHA, to add additional PBV units in the same project. PHAs may use this amendment process to add units where applying the new project cap definition results in more PBV units. For example, ABC Project has a total of 60 units. The pre-HOTMA project cap was 15 units. The post-HOTMA project cap is 25 (greater of 25 units or 15 units (25 percent of units in project)). The existing PBV HAP contract had no excepted units. The PHA, at its discretion, may amend the HAP contract to add the 10 additional units that result from the HOTMA project cap definitional change.

As it pertains to the amendment process to add new units to an existing HAP contract, HOTMA overrides existing regulation, so that new units may be added at any time during the term of the HAP contract without being subject to competitive selection procedures. See Attachment J for more information about this change. All other requirements of 24 CFR §983.207(b) must be met, including not exceeding the 20 percent program cap (see Attachment C of this notice for more information on the 20 percent program cap).

- (7) No HUD notification requirement. Unlike the program cap, there is no requirement to submit PBV project cap information to HUD.

**Attachment F: Units Not Subject to Percentage Limitation (Program Cap) or Income-Mixing Requirement (Project Cap)**

**Regulation:** 24 CFR §983.6, 24 CFR §983.56(a), 24 CFR §983.56(b)(1) and (2)

**HOTMA Reference:** Sec. 106(a)(2), which amends Sec. 8(o)(13)(B) of the Act, and Sec. 106(a)(3), which amends Sec. 8(o)(13)(D) of the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA provides that certain units do not count toward the PBV percentage limitation and are exempt from the income-mixing requirement when PBV assistance is attached to them.

**Content:** The following categories of units are excluded from both the percentage limitation and the income-mixing requirement if placed under HAP contract on or after April 18, 2017:

- (1) Excepted units. Units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD do not count toward the percentage limitation or the income-mixing requirement.

The following categories of units in (a) or (b) are eligible for this exception provided they also meet the conditions described in (c) below:

- (a) The unit received one of the following forms of HUD assistance:
- (i) Public Housing Capital or Operating Funds (section 9 of the Act);
  - (ii) Project-Based Rental Assistance (section 8 of the Act), including units assisted under the section 8 moderate rehabilitation (Mod. Rehab.) program and Mod. Rehab. single-room occupancy (SRO) program;
  - (iii) Housing for the Elderly (section 202 of the Housing Act of 1959);
  - (iv) Housing for Persons with Disabilities (section 811 of the Cranston- Gonzalez National Affordable Housing Act);
  - (v) The Rent Supplement (Rent Supp) program (section 101 of the Housing and Urban Development Act of 1965);
  - (vi) Rental Assistance Program (RAP) (section 236(f)(2) of the National Housing Act); or
  - (vii) Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments of 1978).

or

- (b) The unit was subject to a rent restriction as a result of one of the following HUD loan or insurance programs:
- (i) Section 236;
  - (ii) Section 221(d)(3) or (d)(4) BMIR;

- (iii) Housing for the Elderly (section 202 of the Housing Act of 1959);
- (iv) Housing for Persons with Disabilities (section 811 of the Cranston-Gonzalez National Affordable Housing Act); or
- (v) Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments of 1978).

Units that were previously receiving PBV assistance or HCV tenant-based assistance are not covered by this exception.

- (c) In addition to having received HUD assistance or having been subject to rent restrictions as described in parts (a) and (b) above, the unit must meet the following applicable conditions to qualify for this exception:
  - (i) PBV Existing and Rehabilitated Units.

For units that will be placed under PBV as existing or rehabilitated units:

- (I) The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017; *and*
- (II) In the 5 years prior to the date the PHA either (aa) issued the RFP under which the project was selected, or (bb) selected the project based on a prior competition or without competition, the unit met at least one form of assistance or was subject to a rent restriction as described above. If the existing/rehabilitated project was selected based on a prior competition or without competition, then the date of selection used to determine if the 5-year threshold has been met is the date of the PHA written notice of owner selection under 24 CFR §983.51(d).

- (ii) PBV New Construction.

A newly constructed unit developed under the PBV program may also be excluded from the limitation, provided the unit qualifies as a replacement unit. The unit must meet *all* of the following requirements to meet this exception to the limitation:

- (I) The unit that the PBV newly constructed unit is replacing (i.e., the original unit) must have received one of the forms of HUD assistance or must have been subject to a rent restriction as a result of one of the HUD loan or insurance programs listed above no more than 5 years from the date the PHA either:

(aa) Issued the RFP under which the PBV new construction project was selected; or

(bb) Selected the PBV new construction project based on a prior competition or without competition. If the PBV new construction project was selected based on a prior competition or without competition, then the date of selection used to determine if the 5-year threshold has been met is the date of the PHA written notice of owner selection under 24 CFR §983.51(d).

- (II) The newly constructed unit is located on the same site as the unit it is replacing. An expansion of or modification to the prior project's site boundaries as a result of the design of the newly constructed project qualifies as the same site as long as a majority of the replacement units is built back

on the site of the original development, and any units that are not built on the existing site share a common border with, are across a public right of way from, or touch that site.

- (III) One of the primary purposes of the planned development of the PBV new construction project is or was to replace the affordable rental units that previously existed at the site, as evidenced by *at least one* of the following:

- (aa) Former residents of the original project are provided with a selection preference that provides the residents with the right of first occupancy at the PBV new construction project; or

- (bb) Prior to the demolition of the original project, the PBV new construction project was specifically identified as replacement housing for that original project as part of a documented plan for the redevelopment of the site.

**(IV) The HAP contract first became effective on or after April 18, 2017.**

- (2) Unit-size configuration, number of units. The unit-size configuration of a PBV new construction or rehabilitation project may differ from the unit-size configuration of the original project that the PBV units are replacing. In addition, the total number of PBV assisted units may differ from the number of units in the original project. However, under no circumstances may the percentage limitation exception be applied to units that exceed the total number of covered units in the original project. For example, a PBV new construction project will consist of a total of 50 PBV units and is replacing a former section 236 project consisting of 40 units. The maximum number of PBV units that would meet the program and project limitation exception would be 40 units. The remaining 10 PBV units would count against the program and the project limitation.

- (3) Applicability of PBV project-selection requirements. For owner proposals involving excepted units for existing, rehabilitated, and newly constructed properties, the standard requirements for selecting projects and the units for PBV assistance — including consistency with the PHA Plan, the goals of deconcentrating poverty and expanding housing and economic opportunities, site selection, and all civil rights requirements — remain in effect. The only difference is that any PBV assistance provided to these properties does not count against the 20 percent program cap and may be used to project-base up to 100 percent of the units in the project. The provisions of Notice PIH 2013–27 that concern the voluntary relinquishment by families of enhanced voucher assistance for PBV assistance remain in effect. This means that, in the event of a Housing Conversion Action at a project, HCV assistance may be project-based at the project, but only if the requirements of Notice PIH 2013–27 are met. Units at the project for which a family has voluntarily relinquished enhanced voucher assistance for PBV assistance do not count against a PHA's program cap, nor the income-mixing requirement.

These exceptions may be applied only to projects that were not already under HAP contract as of April 18, 2017 (the effective date of the January 18, 2017, implementation notice). The exception may not be applied retroactively to projects under HAP contracts that commenced before April 18, 2017, or subsequently applied at the extension of those HAP contracts.

- (4) Other units not subject to the percentage limitation or income-mixing requirement.



- (a) RAD. HUD has waived the statutory and regulatory provisions regarding the 20 percent percentage limitation for RAD PBV units. Under HOTMA, neither are such units subject to the income-mixing requirement, as long as they meet the conditions in section (1) of this attachment. This means that a PHA that is administering RAD PBV assistance does not take the voucher units attributable to the RAD PBV contracts into consideration when calculating the 20 percent limitation. In other words, the units committed to RAD PBV are excluded from both the numerator and the denominator when calculating the number of voucher units that may be project-based. This exception applies regardless of the effective date of the HAP contract.
- (b) HUD-VASH. HUD has awarded vouchers specifically designated for project-based assistance out of the HUD-VASH appropriated funding made available from the FY 2016, FY 2015, FY 2014, FY 2013, FY 2011, and FY 2010 Appropriations Acts. Since these PBV HUD-VASH set-aside voucher allocations were made specifically for PBV assistance, HUD has determined that the PBV units supported by those vouchers will not count against the PHA's PBV program cap, for as long as the vouchers remain under PBV HAP contract at the designated project. This means that a PHA will exclude these PBV HUD-VASH units from both the numerator and the denominator when calculating the number of authorized ACC units that are available for project-basing.

All other HUD-VASH vouchers, including non-set aside HUD-VASH vouchers that a PHA chooses to project-base, are subject to the percentage limitation.

Calculations. See Appendix I for instructions on how to calculate the number of voucher units that may be project-based when certain units no longer count toward the percentage limitation.

- (5) Reporting requirement. If a PHA wishes to add PBV units under the program cap exceptions described above, then the PHA must provide the number of PBV units to which it will be attaching PBV assistance under this exception authority to HUD no later than 14 calendar days prior to the date that the PHA intends to issue the RFP or make the selection. The PHA must indicate the specific exception that covers the units. This information must be submitted by email to [pbvsubmission@hud.gov](mailto:pbvsubmission@hud.gov).

A PHA is not required to report future RAD projects for which it will be attaching PBV assistance, or future HUD-VASH awarded vouchers specifically designated by HUD for project-based assistance. Unlike the program cap, there is no requirement to submit PBV project cap information to HUD.

#### **Attachment G: PBV HAP Contract: Initial Term and Extensions**

**Regulation:** 24 CFR §983.205

**HOTMA Reference:** Sec. 106(a)(4) & (5), which amend Secs. 8(o)(13)(F) & (G) of the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA amends Sec. 8(o)(13)(F) of the Act to provide that the initial term of a Housing Assistance Payments (HAP) contract may be up to 20 years (increased from 15 years) and Sec. 8(o)(13)(G) to provide that a contract may be extended for an additional 20 years (again, increased from 15 years).

**Content:** This section overrides 24 §CFR 983.205(a) and (b) only with respect to the length of the initial term and the extension of the term of the HAP contract. Otherwise, all of the other requirements of those regulations remain in effect, including the requirement on the timing of extensions following the initial extension of the contract term. (The timing of when extensions of the term may be approved is described in detail below.)

- (1) Initial term. As of April 18, 2017, a PHA may enter into a new PBV HAP contract with an owner with an initial term of up to 20 years. As was the case previously, the length of the initial term of the HAP contract may not be less than one year.
- (2) Maximizing the initial term. For any PBV HAP contract that is still within the initial term, the PHA and the owner may mutually agree to extend the contract for up to the maximum initial term of 20 years.

For example, if the HAP contract has an initial term of 15 years with an effective date of January 1, 2015, the initial term of the contract ends on December 31, 2029. At any time before the end of the initial term, the PHA and owner may mutually agree to extend the initial term for an additional 5 years to reach the 20-year maximum initial term. For instance, in this example the PHA and owner may extend the initial term to December 31, 2034, provided they do so no later than December 31, 2029.

However, if the HAP contract is no longer in the initial term, the PHA and owner *cannot* extend the initial term, although they may enter into an extension beyond the initial term (see below).

Assume the PHA and owner entered into a HAP contract with a 10-year initial contract term on January 1, 2000. The initial term ended on December 31, 2009. During the initial term, the PHA and owner extended the contract term for 10 additional years. As a result, the HAP contract remains in effect until December 31, 2019. In this case, the PHA and owner are not able to extend the initial term of this HAP contract to 20 years because the contract already is beyond the initial term. (However, the PHA and owner may mutually agree to further extend the current 10-year extension as discussed below.)

- (3) Extension of the term. The PHA may extend the term of the contract for up to 20 years at any time during the initial HAP contract term, provided the PHA determines an extension is appropriate to continue providing affordable housing for low-income families.

The PHA may extend the term multiple times at any time during the term of the contract, provided that extension beyond the initial term does not exceed 20 years, cumulatively. (See examples below.)

- (4) Subsequent extensions beyond 20 years. A PHA may further extend the HAP contract beyond 20 years from the end of the initial term as long as the following conditions are met:
  - (a) The PHA must determine such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities;
  - (b) This determination must be made no earlier than 24 months prior to the expiration of the HAP contract.
  - (c) The term of the new extension may not exceed 20 years.

Regardless of the length of the extension, all such extensions must meet these same conditions.

- (5) PHA owned units. In the case of PHA-owned units, any changes to the term of an initial HAP contract or any contract extension must be agreed upon by the PHA and the independent entity, in accordance with 24 CFR §983.59.
- (6) Initial Term and Extension Examples. The following examples are intended to illustrate a number of common scenarios regarding HAP contract initial terms and extensions.

#### Scenario 1

The PHA and owner wish to enter into a new PBV HAP contract effective January 1, 2018, for the maximum time period that is permitted under the PBV program. The maximum contract term that the PHA may commit is 40 years.

Contract	Term	Start Date	End Date	Notes
Initial Term	20 yrs	1/1/18	12/31/37	Maximum 20 year term.
Extension	20 yrs	1/1/38	12/31/58	PHA may extend at any time before 12/31/37.
Total Term	40 yrs	1/1/18	12/31/58	Any further extension may not be determined prior to 12/31/56 (24 months prior to expiration date of the 20-year extension.)

#### Scenario 2

HAP contract is currently in effect with the following term:

Current Term	Term	Start Date	End Date	Comments
Initial Term	15 yrs	1/1/16	12/31/30	PHA and owner entered into a 15 year initial term, which was the maximum initial term at the
Extension	15 yrs	1/1/31	12/31/45	PHA and owner have previously agreed to 15 year
Total Term	30 yrs	1/1/16	12/31/45	Contract is at pre-HOTMA maximum term of 30 years.

Following the implementation of the HOTMA provision, for example in July 2017, the PHA and owner mutually agreed to extend this contract's initial term and the extension to the maximum term that is permitted under HOTMA.

Revised Term	Term	Start Date	End Date	Comments
Initial Term	20 yrs	1/1/16	12/31/35	Because the HAP contract is still in the initial term, the initial term may be adjusted. It is now the maximum 20

Extension	20 yrs	1/1/36	12/31/55	PHA and owner also revised the length of the existing extension to the 20 year
Total Term	40 yrs	1/1/16	12/31/55	Contract is at post-HOTMA maximum term of 40 years. PHA may consider further extension but not until 12/31/53.

### Scenario 3

The HAP contract has the following terms.

Current Term	Term	Start Date	End Date	Comments
Initial Term	10 yrs	1/1/05	12/31/14	Initial term is over.
Extension	15 yrs	1/1/15	12/31/29	PHA and owner have previously agreed to 15 year
Total Term	25 yrs	1/1/05	12/31/29	Contract is currently for 25 years.

Following the implementation of the HOTMA provision, the PHA decides it wants to extend the contract so that the term is 40 years. However, the PHA cannot extend the initial term since it has already been completed. The PHA is also limited to extending the contract beyond the initial term to no more than 20 years at the present time. The maximum term the PHA could provide at this time is 30 years, with the understanding that the PHA will consider further extending the contract when the contract is within 24 months of the revised expiration date.

Revised Term	Term	Start Date	End Date	Comments
Initial Term	10 yrs	1/1/05	12/31/14	No change – the initial term is already over and may not be extended.
Extension	20 yrs	1/1/15	12/31/34	After April 18, 2017, the PHA and owner have now increased the extension from 15 years to the maximum of 20 years beyond the end of the initial
Total Term	30 yrs	1/1/05	12/31/34	Contract has maximum term of 30 years.
Future Extension	May not exceed 20 years	1/1/35	TBD	PHA may consider further extension no earlier than 12/31/32 (24 month requirement).

#### Scenario 4

The PHA enters into a new HAP contract effective 1/1/18 for the maximum 20 year initial term. The PHA wishes to extend the contract but for no more than 10 years at a time.

Contract Term	Term	Start Date	End Date	Comments
Initial Term	20 yrs	1/1/18	12/31/37	
Potential Extension #1	10 yrs	1/1/38	12/31/47	PHA may approve this first extension any time before the initial term expires on 12/31/37.
Potential Extension #2	10 yrs	1/1/48	12/31/57	PHA may approve this second extension any time before the first extension expires on
Potential Extension #3	10 yrs	1/1/58	12/31/67	PHA may not make the determination to approve this extension earlier than 12/31/55 (24 months prior to the expiration of the previous extension), because any further extension will exceed
Contract Term	Term	Start Date	End Date	Comments
Potential Extension #4	10 yrs	1/1/68	12/31/77	PHA may not make the determination to approve this future extension earlier than 12/31/65 (24 months prior to the expiration of the previous extension), because the contract is now more than 20 years beyond the end of the initial term.

Once the extension beyond the initial term has reached 20 years, cumulatively, the PHA may not further extend the contract without first determining such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities, and the PHA may not make that determination more than 24 months prior to the expiration of the previous extension. In this example, the PHA must fulfill that requirement starting with the 3<sup>rd</sup> potential extension, since the combination of the first and second extensions (each for 10 years) have reached the 20-year maximum.

#### **Attachment H: Priority of PBV HAP Contracts**

**Regulation:** 24 CFR §983

**HOTMA Reference:** Sec. 106(a)(4), which provides for a new Sec. 8(o)(13)(F)(i)(I) of the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA establishes a new Sec. 8(o)(13)(F)(i)(I), which requires that, in the event appropriated funds are insufficient to fund all vouchers administered by a PHA, the PHA must implement cost-savings measures before terminating any PBV HAP contract.

**Content:** Cost-saving measures that must be taken prior to terminating assistance contracts are found in Notice PIH 2011–28 (“Cost-Saving Measures in the Housing Choice Voucher (HCV) Program”) or subsequent notices. If a PHA implements all of these cost-saving measures and still has insufficient funds to cover its housing assistance payments, then the PHA may choose to terminate payments under its HCV or PBV programs.

A PHA may identify in its Administrative Plan any additional cost-saving measures that it will implement prior to terminating HCV or PBV assistance.

A PHA may determine which type of assistance (HCV or PBV) to terminate first and must identify in its Administrative Plan the factors it considered in making this determination.

**Attachment I: PBV Biennial Inspections Regulation:** 24 CFR §983.103

**HOTMA Reference:** Sec. 106(a)(4), which amends Sec. 8(o)(13)(F) of the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA modifies the statutory language regarding the inspection of PBV-assisted units to clarify that biennial inspections of PBV-assisted properties may be conducted using a sample of units. There is no change to the regulatory requirements at 24 CFR §983.103.

**Content:** The HOTMA change merely clarifies that the use of sampling is authorized for PBV-assisted units; it does not affect the guidance in Notice PIH 2016–05 (“Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies”), which remains in effect. Additionally, HOTMA does not change 24 CFR §983.103(d), governing biennial inspections. Attachment K to Notice PIH 2016–05 provides guidance to PHAs that wish to adopt alternative inspection methods.

**Attachment J: Adding Units to PBV HAP Contract Without Competition**

**Regulation:** 24 CFR §983.207(b)

**HOTMA Reference:** Sec. 106(a)(4), which provides for a new Sec. 8(o)(13)(F)(ii) of the Act

**Applicable Program:** PBV

**Summary of Change:** Prior to HOTMA, the regulation at §983.207(b) stipulated that a HAP contract could be amended to add units only during the 3-year period following the HAP execution date, and that, within this timeframe, a new PBV Request for Proposals would not be required. HOTMA overrides the regulation, stating that new units may be added at any time during the term of the HAP contract without being subject to competitive selection procedures.

**Content:** As of April 18, 2017, any existing PBV HAP contract, including a contract entered into prior to April 18, 2017, may be amended to add units by mutual agreement of the PHA and owner without competitive selection. The amendment is subject to all PBV

requirements, including those requirements described below.

- (1) Percentage limitation. The amendment must comply with Sec. 8(o)(13)(B) and 24 CFR §983.6, which require that a PHA may project-base not more than 20 percent of its authorized units, with some types of units excepted from this program cap. HOTMA changed how this percentage limitation is to be calculated. See Attachment C and Appendix I of this notice for instructions on how to make the calculation and report the results to HUD, both of which must be done prior to amending a contract to add units.
- (2) Income-mixing requirement (project cap). The amendment must comply with Sec. 8(o)(13)(D) and 24 CFR §983.56, which limit the number or percentage of units in any one project to which PBV assistance may be attached, with exceptions for certain types of units. HOTMA made changes to the income-mixing requirement. See Attachment E of this notice for further information on the PBV income-mixing requirement. Any units added on or after April 18, 2017, must fall under one of the HOTMA exception categories in order for the unit to be excepted from the income-mixing requirement.
- (3) Rent reasonableness. The rents for the units added to the contract via amendment must comply with Sec. 8(o)(10)(A) and §983.303, which require that rents be reasonable. If the units newly added to the contract have rents that do not exceed the rents charged for units under the original contract or for comparable unassisted units in the project, then the rents for the newly added units will be considered to be reasonable.
- (4) Administrative Plan. Whether to add units to a contract is an option that is available at the discretion of a PHA. A PHA that intends to add PBV units in this manner must state in its Administrative Plan that it will do so and must provide its rationale for adding PBV units to specific projects.
- (5) Amendment of RAD PBV HAP contract. A PHA may not amend a RAD PBV HAP contract to add units above the number included in the initial contract.

A PHA may amend its PBV HAP contract to add units without competitive selection during the term of an initial HAP contract or during the term of any extension of that contract. The amendment may also occur at the point of initial contract extension or at the point of any subsequent extension, so that the contract extension will have a greater number of units than the previous contract. However, the anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally in place under the HAP contract.

24 CFR §983.58(c) does not apply when PBV units are added to a current PBV HAP contract. In other words, an environmental review is not required, and there is therefore no need for any sort of determination by a responsible entity.

#### **Attachment K: PBV Contract Termination or Expiration without Extension**

**Regulation:** 24 CFR §983

**HOTMA Reference:** Sec. 106(a)(4), which provides for a new Sec. 8(o)(13)(F)(iv) of the Act

**Applicable Program:** PBV

**Summary of Change:** With respect to a PBV HAP contract, HOTMA requires the contract to specify that, upon termination or expiration of the contract without extension, an assisted family may elect to remain in its unit and use the assistance previously provided under the contract, as long as the unit meets HUD's housing quality standards and the rent for the unit is reasonable. In such a circumstance, the family may choose to move or to remain in the unit. If the family remains, it will pay its required share of the rent in addition to the amount, if any, by which the gross rent exceeds the applicable payment standard. HOTMA also authorizes HUD to establish additional contract conditions.

**Content:** This provision applies to all PBV HAP contracts in effect as of April 18, 2017, and all contracts entered into on or after April 18, 2017. HOTMA establishes for PBV-assisted families a right to remain in the project at the end of the PBV HAP contract with tenant-based assistance for as long as the project is used for rental housing and the unit is otherwise eligible for HCV assistance.

- (1) Owner notification. For any contract entered into prior to April 18, 2017, that remains in effect on that date, a PHA must notify the owner in writing that this provision is in effect. The notice must contain the following language:

"Pursuant to Section 106(a)(4) of the Housing Opportunity Through Modernization Act of 2016 and Paragraph 26.b. of Part 2 of the PBV HAP Contract for Existing Housing or Paragraph 27.b. of Part 2 of the PBV HAP Contract for New Construction or Rehabilitation, such contract is amended to provide that, upon termination or expiration of the contract without extension, each family assisted under the contract may elect to use its assistance to remain in the same project if the family's unit complies with the inspection requirements under section 8(o)(8) (42 U.S.C. 1437f(o)(8)) of the U.S. Housing Act of 1937 ("the 1937 Act"), the rent for the unit is reasonable as required by section 8(o)(10)(A) of the 1937 Act, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard."

Any contract entered into on or after April 18, 2017, must include this language.

- (2) Statutory notice. Per the statutory notice requirements at Sec. 8(c)(8) and 24 CFR §983.206, not less than 1 year prior to the termination or expiration without extension of a HAP contract, an owner must provide notice to both the PHA and affected tenants. An owner who fails to provide such notice must permit tenants to remain in their units for the required notice period with no increase in the tenant portion of the rent. During this time period, an owner may not evict a tenant as a result of the owner's inability to collect an increased tenant portion of rent. With PHA agreement, an owner may renew the terminating contract for a period of time sufficient to give tenants 1 year's advance notice. For families who wish to remain at the property, the HCV assistance does not commence until the end of the owner's required notice period.
- (3) Housing quality standards. In order for the family to remain at the project with tenant-based HCV assistance, the unit must meet the HQS requirements of the HCV tenant-based program, including initial inspection requirements. HOTMA made a number of changes related to the initial inspection requirements. (See Notice PIH 2017-20, issued October 27, 2017.)
- (4) Effective date of HCV HAP and family leases. The transition from PBV HAP units to HCV HAP units will require the PHA and owner to plan to assure continued payments for families under lease and continued payments to the owner of units



under HAP. The following requirements apply:

- (1) A PHA may execute an HCV HAP contract before the PBV HAP contract terminates, but the HCV HAP contract may not be effective prior to the PBV contract termination or expiration date.
- (2) A PHA may not commence the tenant-based HCV housing assistance payment to an owner until the HCV tenant-based HAP contract has been executed.
- (3) The HCV HAP contract may not be executed before the PHA approves the assisted tenancy in accordance with 982.305. An HCV HAP contract for a family must be executed no later than 60 calendar days from the start of the family's lease. PHAs are encouraged to approve the assisted tenancy and execute the HCV HAP contract without need for the 60-day grace period. If this is not possible, then, as long as the HCV HAP contract is executed during the 60-day grace period, once it has been executed, the PHA may pay the owner retroactively to the start date of the family's lease term.
- (4) If the HCV HAP contract has a different rent than did the PBV HAP contract, and the new rent is determined by the PHA to be reasonable, then the PHA will use the new gross rent to calculate the family's HCV HAP going forward. The family will be responsible for paying the new family rent to owner starting from the effective date of the HCV HAP contract.
- (5) Inapplicability of HCV eligibility requirements. Per the current definition of "admission" in 24 CFR §983.3, a family that receives a tenant-based HCV pursuant to this newly enacted provision is not a new admission to the HCV program and is not subject to income-eligibility or any other admission requirement. The family does not count toward the PHA's income-targeting requirements at 24 CFR §982.201(b)(2)(i).
- (6) Termination of tenancy by owner. An owner may not terminate the tenancy of a family that exercises its right to remain except for in response to serious or repeated lease violations, or other good cause.
- (7) Family payment toward rent. A family that remains in its unit with continued tenant-based HCV assistance must pay the total tenant payment (determined under 24 CFR part 5 subpart F) and any additional amount by which the unit rent exceeds the applicable payment standard. The family's initial share of the rent may exceed 40 percent of the family's adjusted monthly income, irrespective of the normally applicable restriction on the amount a family may pay when initially assisted in any unit at 24 CFR §982.305(a)(5).
- (8) HCV program rules. All other HCV program rules apply to families who remain in the project.

With respect to additional contract conditions, HUD has chosen not to adopt any such conditions at this time.

**Attachment L: Attaching PBVs to Certain PHA-Owned Projects Without Following a Competitive Process**

**Regulation:** 24 CFR § 983.51(b)

**HOTMA Reference:** Sec. 106 (a)(9), which adds Sec. 8(o)(13)(N) to the Act

**Applicable Program:** PBV

**Summary of Change:** HOTMA adds section 8(o)(13)(N) to the Act, which allows a PHA to attach PBV assistance to units in a project in which the PHA has an ownership interest or over which the PHA has control without following a competitive process. In order to exercise this authority, the PHA must be engaged in an initiative to improve, develop, or replace a public housing property or site.

**Content:**

- (1) PHA ownership interest. A project does not have to meet the definition of PHA-owned in order for the PHA to have an ownership interest in the project and to be covered by this HOTMA provision. An ownership interest means that the PHA or its officers, employees, or agents are in an entity that holds *any direct or indirect interest* in the project in which the units are located, including, but not limited to, an interest as: titleholder; lessee; stockholder; member, or general or limited partner; or member of a limited liability corporation. For purposes of this authority, a PHA ownership interest also includes a scenario in which the PHA is the lessor of the ground lease for the land upon which the PBV project to improve, develop, or replace the public housing property is located or will be constructed. Units that meet the definition of “PHA- owned” as defined here qualify for this exception. Alternatively, just having an ownership interest for the purpose of this provision does not equate with meeting the definition of PHA-owned as defined in Attachment A.
- (2) Conditions for non-competitive selection. In order to be subject to this non- competitive exception, the following conditions must be met:
  - (a) The PHA must be engaged in an initiative to improve, develop, or replace the public housing properties or sites. The public housing properties or sites may be in the public housing inventory or they may have been removed from the public housing inventory through any available legal removal tool (which may include but is not limited to disposition or demolition under Section 18 of the Act, voluntary conversion under Section 22 of the Act, or required conversion under Section 33 of the Act) within 5 years<sup>2</sup> of the date on which the PHA entered into the AHAP or HAP pursuant to the non-competitive selection.
  - (b) If the PHA plans rehabilitation or new construction, a minimum threshold of \$25,000 in hard costs per-unit is required.
  - (c) If a PHA plans to replace public housing by attaching project-based assistance to existing housing in which the PHA has an ownership interest or over which the PHA has control, then the \$25,000 per-unit minimum threshold does not apply as long as the existing housing substantially complies with HUD’s housing quality standards. The PHA’s Administrative Plan must describe what it means to “substantially comply with HUD’s housing quality standards.”
  - (d) The PHA must explain in its Administrative Plan the work it plans to do on the property or site and how many units of PBV it plans to add. See Administrative Plan requirements in the Appendix II to this notice.

- (3) Other PBV requirements. In order to be non-competitively selected under this provision, the units must be eligible for PBV assistance in accordance with 24 CFR

§983.53, and the selection of the units must satisfy all other statutory and regulatory requirements of the PBV program. Unless otherwise exempt, units non-competitively selected under this section are subject to the program cap and income-mixing requirements and exceptions discussed in Attachment F.

#### **Attachment M: Project-Basing Family Unification Program and HUD-VASH Vouchers**

**Regulation:** 24 CFR §983

**HOTMA Reference:** Sec. 106(a)(9), which added a new Sec. §8(o)(13)(O) of the Act

**Applicable Programs:** HCV and PBV

**Summary of Change:** HOTMA allows PHAs to project-base Family Unification Program (FUP) and HUD-Veterans Affairs Supportive Housing (VASH) vouchers without requiring additional HUD approval. Prior to HOTMA, PHAs were prohibited from project-basing vouchers awarded for FUP. HUD-VASH vouchers could be project-based, but required HUD review and approval in accordance with Notice PIH 2015–10 (this applied to HUD-VASH vouchers the PHA chose to project-base and not to HUD-VASH units awarded under a HUD- VASH PBV allocation as described in Attachment F of this notice). This notice supersedes Notice PIH 2015–10 in its entirety.

PHAs conduct their HUD-VASH programs in conjunction with the Veterans Affairs Medical Center (VAMC). The VAMC must make supportive services available to individuals receiving HUD-VASH assistance. Thus, when a PHA chooses to project-base its HUD-VASH vouchers, it must ensure the VAMC will continue to make supportive services available to the HUD-VASH families.

**Content:** HOTMA authorizes PHAs to project-base FUP and HUD-VASH vouchers in accordance with the statutory and regulatory requirements of the PBV program.

- (1) Considerations. HUD encourages PHAs wishing to project-base FUP or HUD-VASH vouchers to include in their considerations whether the activity:
- Will yield significant benefit to participants;
  - Will impact the availability of tenant-based FUP or HUD-VASH vouchers;
  - Will impact voucher utilization; and

In determining whether project-basing will yield significant benefit to FUP or HUD- VASH participants, HUD encourages PHAs to consider:

- The impact on choice and access to areas of higher opportunity.
- The success of FUP and HUD-VASH participants with tenant-based vouchers.
- How project-basing will improve FUP or HUD-VASH participants' access to supportive services.

In determining the impact of project-basing on the availability of tenant-based FUP or HUD-VASH vouchers, HUD encourages PHAs to consider:

- The extent of FUP or HUD-VASH vouchers to be project-based (percent of total FUP or HUD-VASH allocation).

- Unit size. FUP youth and HUD-VASH veterans typically require a smaller unit size, while FUP families typically require a larger unit size. Unit size determination will impact the availability of budget authority to issue vouchers (i.e., a large unit may cost more than a small unit).
- The 36-month time limit on youth FUP vouchers and whether youth will be less or more likely to request a voucher to move.

Project-basing FUP vouchers may be a part of a PHA strategy to provide supportive housing to youth and families. PHAs may leverage the project-based units with community based services and supports. Following this model would also allow a PHA to project-base additional units as a result of the service provision. (See Attachment E.)

When a PHA chooses to project-base their HUD-VASH vouchers, they must ensure they have the support of the partnering VAMC. The PHA should maintain this documentation of support for their records.

- (2) Coordinated entry and referrals. PHAs may work with their local Continuum of Care (CoC), in cooperation with their local Public Child Welfare Agency (PCWA), to prioritize entry into FUP PBV units to ensure that the units are targeted to people who most need supportive housing. For HUD-VASH, VA partners would ensure that the units are targeted to people who most need supportive housing.

For FUP, PCWAs and PHAs may accept referrals from CoCs for eligible youth in support of a community's effort to prioritize assistance in FUP PBV units. Referrals from CoCs must be signed off on by the PCWA. For HUD-VASH, all referrals come from the partnering VAMC.

- (3) Limiting FUP vouchers to one category of FUP eligible families. A PHA that chooses to project-base FUP vouchers may limit the project-based vouchers to one category of FUP eligible participants (families or youth) or a combination of the two. FUP vouchers that are limited to youth cannot exclude eligible youth with children consistent with the nondiscrimination requirements under the Fair Housing Act. For example, a PHA may project-base vouchers at a service-rich site for youth. PHAs generally do not similarly limit HUD-VASH project-based vouchers to a category of eligible participants, unless the units are specifically for elderly HUD-VASH families.

## CHAPTER 21

### FAMILY SELF SUFFICIENCY

[24 CFR 984]

#### **PHILOSOPHY**

The overall goal of the Family Self Sufficiency (FSS) Program is to promote economic self-sufficiency to program participants through partnerships with Social Service Providers in Hamilton County.

#### **POLICY**

Family Self Sufficiency staff will work with participating families to identify their strengths and barriers. Together they will establish goals that lay the foundation for the families to achieve economic self-sufficiency.

#### **A. FSS PROGRAM OBJECTIVES**

- ◆ ~~The overall plan of the FSS Program is to achieve the following objectives:~~
- ◆ ~~Introduce FSS to all families who are eligible to participate with the understanding that the commitment to change "begins from within."~~
- ◆ ~~Implement a needs assessment to identify each family's strengths and barriers. Establish interim goals that lay the foundation for the final goals of economic self-sufficiency of each family joining FSS.~~
- ◆ ~~CMHA's standards for completion of the FSS Contract of Participation include:~~
- ◆ ~~To become independent of TANF assistance and remain independent for 12 consecutive months before the FSS Contract expires;~~
- ◆ ~~To be in good standing with no current or anticipated debt to either the Housing Choice Voucher (HCV) Program or the Landlord;~~
- ◆ ~~To seek and maintain suitable employment based on the skills, education and job training of that individual and available job opportunities in the area;~~
- ◆ ~~To complete the Individual Service Plan goals set by the participant.~~
- ◆ ~~Establish interagency partnerships to achieve high quality and comprehensive service delivery to all members of a family with long-term results.~~

~~The FSS Coordinators will meet with the FSS participants on an annual basis to review goals and to assess the accountability of the families and the agencies involved but will contact the participant throughout the year to ensure any potential issues are resolved or assistance is provided prior to the expiration of the Contract of Participation.~~

The Cincinnati Metropolitan Housing Authority's FSS program seeks to help families make program toward economic security by supporting the family's efforts to:

- Increase their earned income;
- Build financial capability;
- Achieve their financial goals

The overall plan of the FSS Program is to achieve the following objectives:

- Introduce FSS to all families who are eligible to participate with the understanding that the commitment to change "begins from within."
- Implement a needs assessment to identify each family's strengths and barriers. Establish interim goals that lay the foundation for the final goals of economic self-sufficiency of each family joining FSS.
- CMHA's standards for completion of the FSS Contract of Participation include:
  - To become independent of TANF assistance;
  - To be in good standing with no current or anticipated debt to either the Housing Choice Voucher (HCV) Program or the Landlord;
  - To seek and maintain suitable employment based on the skills, education and job training of that individual and available job opportunities in the area;
  - To complete the Individual Service Plan goals set by the participant.
- Establish interagency partnerships to achieve high quality and comprehensive service delivery to all members of a family with long-term results.

The FSS Coordinators will meet with the FSS participants on an annual basis to review goals and to assess the accountability of the families and the agencies involved but will contact the participant throughout the year to ensure any potential issues are resolved or assistance is provided prior to the expiration of the Contract of Participation.

## B. FAMILY OBJECTIVES

The overall plan for the family participating in FSS is to achieve the following objectives:

Begin to recognize the connection between self-perceptions and self-imposed limitations. By learning that thoughts can shape and form one's life, the prescription for success is to "begin within."

Achieve a greater level of self-discipline, self-esteem and self-motivation by accepting responsibility for decisions and actions.

Demonstrate commitment and accountability to the Individual Training and Services Plan in which both goals and barriers are assessed.

## C. OUTREACH PROCEDURES

~~Recruiting must remain an ongoing effort. FSS is not a one-time "take it or leave it" offer. The entire staff is encouraged to promote FSS during daily contact with families. FSS staff will conduct outreach that will provide HCV program participants information and an opportunity to participate with the FSS program.~~

Recruiting must remain an ongoing effort. FSS is not a one-time "take it or leave it" offer. The entire staff is encouraged to promote FSS during daily contact with families. FSS staff will conduct outreach that will provide HCV program participants information and an opportunity to participate with the FSS program.

The Cincinnati Metropolitan Housing Authority will conduct widespread outreach to encourage enrollment in the FSS program. Outreach effort will include the activities identified through the check boxes below:

<u>Outreach Methods</u>	<u>Details, including frequency</u>
<u>Posting information about FSS on the Cincinnati Metropolitan Housing Authority's website</u>	<u>Monthly</u>
<u>Posting FSS program flyers in locations likely to be seen by eligible families</u>	<u>Monthly</u>
<u>Providing information about the FSS program during scheduled reexaminations</u>	<u>Annually</u>
<u>Providing information about the FSS program at voucher orientation sessions</u>	<u>Bi-monthly</u>
<u>Holding well-publicized information sessions about FSS</u>	<u>Monthly</u>
<u>Facebook</u>	<u>Monthly</u>
<u>Twitter</u>	<u>Monthly</u>
<u>Instagram</u>	<u>Monthly</u>
<u>Other – EnVision Centers</u>	<u>Monthly</u>

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#### D. RECRUITMENT OF PARTICIPANTS

After the initial Briefing that offers FSS, the Housing Specialist will also offer FSS to every HCV Program tenant (other than Mod. Rehab. tenants) during his/her initial enrollment, recertification, interim, and/or transfer. Family Self-Sufficiency staff will explain the benefits of the program to each potential FSS participant who wishes to meet with FSS staff to learn more about the program. The FSS program will also be explained to interested HCV Program tenants who call and express an interest in learning more about the program. If the tenant desires to enroll in the program, he/she will meet with a Family Self Sufficiency staff person to complete the Family Self-Sufficiency Assessment Form. The FSS Contract will be explained and completed during the face-to-face interview. The FSS staff will attend various community events providing information about the program including holding monthly informational sessions for HCV and Asset Management program participants.

#### E. SELECTION OF PARTICIPANTS

Housing assistance shall not be delayed to an applicant for Asset Management or HCV Program on the basis that the applicant elects not to participate in FSS at the time it is introduced. Because both current participants and those who attend briefings represent all minority and non-minority groups, there is no attempt to recruit or exclude any person on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability. Families will be from current HCV Program participants as well as from Project Based Assistance. Only

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families participating in HCV Program's Moderate Rehabilitation Program are excluded from signing FSS Contracts.

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**F. ELIGIBILITY FOR FSS**

Every effort is made to promote the FSS concept to those least likely to participate as well as those already involved in FSS type activities. By using a self-select approach, the emphasis is for families to express a commitment to change by joining FSS.

**G. ELIGIBILITY FACTORS**

Families (including individuals) who qualify for any bedroom size will be eligible.

CMHA may screen families for interest, and motivation to participate in the FSS program, provided that the factors utilized by the PHA are those which solely measure the family's interest, and motivation to participate in the FSS program. Permissible motivational screening may include assigning certain tasks which indicate the family's willingness to undertake the obligations which may be imposed by the FSS contract of participation. (CFR 984.203)

In the event a family joined FSS and then left the Asset Management or HCV Program, later, if they return to the HCV Program, the family may be eligible to rejoin the FSS Program after a period of 12 months (from the date they left FSS) for good cause. Good Cause means circumstances beyond the control of the FSS family as determined by the PHA such as:

- Death of immediate family member;
- Serious illness of participant or immediate family member
- Involuntary loss of employment

In this situation, no monies in escrow from the previous contract are transferable.

In the event a family does not complete their FSS Contract and remains on the HCV Program, the family may be eligible to rejoin the FSS Program after a period of 12 months (from the date the FSS contract expired) for good cause (as defined above).

If a family previously joined the FSS Program, did not meet its obligations and was terminated from FSS, the family may be denied future participation in FSS.

**H. MOTIVATIONAL FACTORS**

The Cincinnati Metropolitan Housing Authority will not use any motivational screening factors to measure a family's interest and motivation to participate in the FSS program.

Motivational screening may include tasks that are readily accomplishable by the

| family in order to measure the family's interest to participate:

~~Willingness to learn about FSS.~~

~~Willingness to keep appointments for enrollment and annual reviews in the FSS Program.~~

~~Demonstrated commitment to the Individual Training and Services Plan that establishes short-range and long-range goals.~~

~~Completion of specific tasks including contacting job training or educational programs or actively seeking employment.~~

~~Willingness to sign a release of information for other agencies to have access to file information.~~

~~Willingness to provide information and/or meet with FSS as is deemed necessary regarding the family's participation in FSS, including documenting how the family worked toward specific FSS goals.~~

#### **I. INFORMATION ASSESSMENT**

The FSS staff person will review the Assessment Form with the enrollee to identify client strengths and determine areas of interest. The FSS staff person will evaluate current client support systems and possible educational and training needs. With the FSS focus of achieving economic self-sufficiency through employment and continued career development, FSS staff will identify support services that may reduce the dependency of low-income families on welfare assistance and on HCV Program.

The topics, which will be explored in the Family Self-Sufficiency Assessment Form, are: Child/Dependent Care, Social Systems, Health, Legal Issues, Understanding and improving credit, Budgeting, Transportation, Housing, Education/Training and Employment. These categories have been identified as areas upon which families begin the process of setting goals and developing an individual plan by which to become self-sufficient. Resources and referrals will be provided to FSS participants based upon areas of need identified on the Assessment Form.

#### **J. GOAL DEVELOPMENT AND PLANNING**

With supportive counseling from FSS staff, each participant will be asked to work with FSS to develop an Individual Training and Services Plan by learning to set SMART goals, a goal-setting strategy developed by other professional coaches that meet the following standards:

**Specific** – Identify the exact goal the family wants to achieve so the staff can help to breakdown what steps are involved, including possible available community resources.

**Measurable** – The goal must be concise so that progress can be determined and evaluated.

**Attainable** – The goal must be achievable within a set time frame.

**Realistic** – The goal must be practical and have a positive impact on the present or future economic status of the family.

**Targeted** – A clear goal encourages focus and follow through.

The FSS staff person will assist the family to break down their long-term goals into manageable steps.

In the first year of the FSS Contract, the family will be asked to identify 1-2 specific goals in order to start to accomplish the long-range goals of self-sufficiency. Sub-goals will be identified as active steps to lead to the goal to be accomplished during the first year. The participant will receive a copy of the Individual Training and Services Plan and the FSS Contract. The FSS staff person will explain the requirement to meet with FSS staff on an annual basis in order to review completion of their annual goals. The annual review for FSS will likely coincide with the family's annual recertification.

#### **K. ANNUAL REVIEW**

The Family Self-Sufficiency staff will review both HUD's mandatory goals to successfully complete the program and the specific goals relevant to the family as listed on the Individual Training and Services Plan. In addition, the family will be provided with a statement that indicates the balance of the current escrow account. The participant's goals will be reviewed and the family will work with FSS staff to set goals for the following year. The participant will have an opportunity to amend their goals at the discretion of the FSS staff. The FSS staff person will again assist the participant to set goals that are sufficiently specific and concrete so that the goals are measurable. Available resources will be provided as necessary. During the Annual Review, the participant will also complete the HUD 50058 FSS Addendum. The participant will be reminded to return the following year to update and review goals until the contract expires or the family completes the FSS Contract (whichever occurs first). The participant will receive a detailed breakout of their escrow account at their annual review.

CMHA will send written notification of the FSS annual review appointment to the participant. The appointment should coordinate with the [Asset Management or HCV recertification](#) appointment. If a participant fail to attend the annual review appointment, CMHA will notify them in writing of a rescheduled time. If the participant fails to come in to the rescheduled appointment or notify the FSS coordinator to make arrangements within 10 days of date of the re-schedule letter, CMHA will:

Send the family notice of termination from the FSS program.

Exceptions to these policies may be made by the FSS Coordinator if the family is able to document an emergency situation that prevented them from completing the annual review or if requested as a reasonable accommodation for a person with disability.

FSS staff will contact participants throughout their contract to ensure they are on target to meet their goals. FSS participants are also encouraged to contact FSS staff throughout the contract, if assistance is needed, in obtaining an established goals or assistance in obtaining linkages to social service providers.

#### **L. RECERTIFICATIONS**

~~In order to assist FSS families with overcoming the barriers to economic self-sufficiency, the FSS staff will conduct both Annual Recertification/Reexaminations as well as Interim income changes for HCV clients who participate in the FSS program. The Recertifications will be done at the same time as the FSS Annual Review. This process will continue as long as it does not interfere with general FSS job duties.~~

~~The Family Self Sufficiency staff will follow the same policies and procedures established in Chapter 13 in reference to HCV Recertifications and reporting Interim changes to income.~~

~~When the recertification appointments are being scheduled, the FSS staff will review the list to assure accuracy in scheduling FSS participants. The review will be completed prior to mailing the appointment letter notifying the family of their scheduled date and time. This review will confirm the participant has an active FSS contract and will be seen by an FSS coordinator. If a participant notifies the FSS staff, at the scheduled appointment, that they no longer wish to participate in the FSS program, the FSS staff will complete the Recertification before returning the file to the HCV clerk to re-assign the file to the appropriate housing specialist.~~

#### **M.L. INCENTIVES - INCLUDING ESCROW CLARIFICATION**

~~To encourage participation in FSS, every effort will be made to collaborate with other agencies, companies and persons to identify resources that will benefit or enhance a family's life as they progress toward the goal of economic self-sufficiency.~~

~~Incentives may include:~~

~~Identifying volunteer activities in the community relevant to the family's goals.~~

~~Resume service (by referral).~~

~~Internet access to search for jobs, scholarships and other information.~~

~~Making job referrals and also references for those families the FSS staff comes to know.~~

~~Scholarship opportunities, including writing letters of recommendation.~~

~~Assistance in completion of various applications for school enrollment and/or funds.~~

~~Establishing the escrow account and allowing interim disbursement of a portion of~~

~~the family's escrow account during the Contract period for expenses deemed by FSS to be consistent with the goals of the family's Individual Training and Services Plan. Such needs may include, but are not limited to, the following:~~

~~School tuition or other education related expenses-~~

~~Job training expenses~~

~~Business start up expenses-~~

~~Transportation~~

~~Homeownership including possible credit repair and/or other initial expenses~~

~~The following limitations apply for partial disbursements:-~~

~~Withdrawals can be made only once during a 12-month period.~~

~~No more than 50% of the total amount in escrow may be withdrawn (exception to this % may be considered).~~

~~Payment to be made either to the family or to a pre-approved third party when possible.~~

~~Receipt(s) must be submitted after purchase has been made.~~

~~Limit of three payments per withdrawal request.~~

~~At the end of each month, the FSS department will verify the monthly amount being deposited into the escrow account for accuracy. No monthly deposit will be made to a family's escrow account if the FSS family has not paid the family contribution towards rent.~~

~~To encourage participation in FSS, every effort will be made to collaborate with other agencies, companies and persons to identify resources that will benefit or enhance a family's life as they progress toward the goal of economic self-sufficiency.~~

Incentives may include:

Identifying volunteer activities in the community relevant to the family's goals.

Resume service (by referral).

Internet access to search for jobs, scholarships and other information.

Making job referrals and also references for those families the FSS staff comes to know.

Scholarship opportunities, including writing letters of recommendation.

Assistance in completion of various applications for school enrollment and/or funds.

The Cincinnati Metropolitan Housing Authority will allow for interim disbursement on a case by case basis:

Families may request an interim disbursement from escrow account once the FSS family has fulfilled at least one interim goal, in order to pay for specific goods or services that will help the family make progress toward achieving the goal in its Individual Training and Service Plan (ITSP). Request may be made in writing. Requests may be made through the term of the Contract of Participation. Examples of potentially eligible activities include, but are not limited to, payment for post-secondary education, job training, credit repair, small business start-up costs, job start-up expenses, and transportation to/from a place of employment. A determination of whether the family qualifies for the requested interim disbursement will be made on a case-by-case basis by the FSS Supervisor and an administrative staff representative of the CMHA. The FSS Supervisor will first explore options for services and in-kind donations from partners, which must be exhausted before all request for an interim disbursement will be approved. The family may request up to 50% of their total current escrow balance is at the time of the request.

#### **N-M. CONSEQUENCES OF NONCOMPLIANCE WITH FSS CONTRACT OF PARTICIPATION**

Families are required to meet with FSS staff on an annual basis in order to review progress and/or completion of the most recent annual goals listed on the Individual Training and Services Plan. A staff person will assess the FSS participant's current situation to set short-term goals with the family for the next twelve months. These short-term goals will be summarized on the Individual Training and Services Plan as part of the family's FSS Contract. The following corrective actions will be taken in order of progression to determine if the FSS Contract will remain in effect:

The offer to counsel the family to update interim goals and review what activities or services would be appropriate.

- Notification in writing that supportive services will be withheld until family initiates or follows through on activities consistent with the FSS goal.

Notification in writing of our intention to terminate the FSS Contract will include

the right to an informal hearing.

Penalties for FSS action to terminate FSS Contract include:

- Termination of supportive services.
- Forfeiture of amount in FSS escrow savings account. CMHA has final discretion to award or withdraw participants' escrow funds.
- Family would not be eligible to rejoin FSS Program for a period of 12 months and then only if the family can demonstrate that they are ready to commit to FSS goals and objectives.

CMHA will not terminate [Asset Management](#) or HCV Program assistance as a consequence of termination of the FSS Contract of Participation. Family may continue to receive HCV Program subsidies according to the terms of the Voucher and Lease/Contract in effect.

FSS and the family may mutually agree to terminate the FSS Contract. The same terms apply as listed under penalties.

If the FSS family owes any money to CMHA's HCV [or Asset Management](#) program, the forfeited FSS account shall be reduced by that amount to pay the debt. Any deductions made from the account for amounts due to CMHA will be made before interest is distributed.

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#### **9-N. PORTABILITY OF FSS CONTRACT AND ESCROW ACCOUNT**

The family must comply with the family obligations under the HCV program and live in the jurisdiction of the PHA that enrolled the family in the FSS program at least 12 months from the effective date of the contract, unless the initial PHA approves the family's request to move outside its jurisdiction under portability. If eligible for portability, CMHA may take one of the following actions:

As the initial PHA, CMHA may permit the family to continue to participate in our FSS Program if the family demonstrates it can meet its FSS goals and responsibilities in its new location. This option is available when the voucher is administered by the receiving PHA. Cooperation of the receiving PHA is needed to confirm accuracy of deposits CMHA would make in the escrow account.

As the initial PHA, CMHA may permit an early completion of the FSS Contract by the family due to the complexity of maintaining the escrow account and the difficulty in coordinating services for families who do not live within our jurisdiction.

As the initial PHA, CMHA may terminate the FSS Contract in cases where the family cannot fulfill its obligations in the new location, or if the receiving PHA 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.

As the receiving PHA, CMHA may absorb the FSS Contract when the Voucher is absorbed. Any monies in the escrow savings account would be transferred from the initial PHA to the receiving PHA.

It is the responsibility of the family to notify the FSS staff in writing of their plans to port. Failure to do so may result in termination from the FSS program and forfeiture of any escrow monies.

#### **P.O. CONTRACT COMPLETION**

The Family Self-Sufficiency staff will review the family's status relative to the goals listed in the Individual Training and Services Plan and the HUD mandated goals in the FSS Contract to determine whether the family has successfully completed the FSS Contract. All participants will be asked to complete an Exit Survey. Participants who have funds in the escrow account will also complete the Application for Withdrawal of Escrow Accounts form. Upon review of the request for escrow funds, the Family Self-Sufficiency staff will determine whether to recommend that the escrow funds be released to the family. The staff will process the request for payment of escrow for those participants who have achieved CMHA's standards for completion of the FSS Contract (listed on page one). This is accomplished by working with the family to set annual goals in the Individual Training and Services Plan that encourage the family to move toward personal and program goals of self-sufficiency.

#### **Q.P. CONTRACT EXTENSIONS**

The initial contract term 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. Good cause means circumstances beyond the control of the FSS family, as determined by the PHA such as:

- Serious illness
- Involuntary loss of employment

The PHA should only grant extensions in rare circumstances that are beyond the control of the family, and which prevent completion of the ITSP.

Termination of employment for non- performance by the FSS —head is not justification for a contract extension.

PHA's may extend the contract to allow families to meet the interim goal of being welfare free at least 12 consecutive months prior to expiration of the contract.

During an extension the family continues to have FSS amount credited to the escrow account.

Once the FSS Coordinators receive the request in writing it will be reviewed and determined if the request falls within the above guideline. A determination will be given back to the client in writing and document in the system and file. The FSS coordinator has the right to ask for supporting documentation.

At the completion of the FSS contract, if the family has an outstanding debt with CMHA, they will be notified in writing that the escrow balance will be lowered by the amount of the balance of the debt.

#### **R-Q. NETWORKING IN THE COMMUNITY**

An FSS program goal is to serve as a connector for families to available community services rather than to serve in the role of traditional case manager. For this reason, it is important to develop a support network of those agencies that have the common purpose of providing supportive services to enable families to achieve self-sufficiency.

#### **S-R. ACTIVITIES**

In furtherance of both FSS recruiting and networking efforts, FSS will participate in a variety of community activities that promote the concept of FSS.

#### **T-S. PROGRAM COORDINATING COMMITTEE (PCC)**

Ohio Means Jobs Cincinnati, formerly Super Jobs is the designated one-stop service delivery provider for the Workforce Investment Act (WIA) services for Cincinnati and Hamilton County. Our participation in this group is beneficial to both our families and to FSS staff. We are able to build relationships with local agencies and job providers. This connection allows us to more effectively refer FSS participants to supportive services and job opportunities that help families to achieve their self-sufficiency goals. Participation in Ohio Means Jobs meetings also serves as our Program Coordinating Committee. We regularly send a representative from FSS to attend these meetings.

#### **U-T. COORDINATION OF SERVICES**

Services and activities under the FSS Program will be coordinated with relevant community services (including training, education and childcare) in order to avoid duplication of services and activities.

#### **V-U. DATA TO BE MAINTAINED**

Significant contacts (including letters, policies, guidelines, and documents) will be maintained in accordance with CMHA's Record Retention Policy. These documents include the following:

The FSS Note Screen and/or FSS file.

Number of families who enter and/or leave FSS.

Contracts of Participation.

Individual Training and Services Plan (goals).

FSS Statement of Family Obligations.

50058 FSS addendum information.

Escrow account information.

#### **W.V. FINAL GOAL FOR EACH FAMILY WHO JOINS FSS**

~~The head of each FSS family will seek and maintain suitable employment and become and remain independent of TANF assistance for 12 consecutive months prior to the end of the FSS Contract.~~

The head of each FSS family will seek and maintain suitable employment and become and remain independent of TANF prior to the end of the FSS Contract.

Definition of "seeking and maintaining employment" - Head of FSS family must apply for employment, attend job interviews and otherwise follow through on employment opportunities.

Definition of "suitable employment" - A determination of suitable employment shall be made by CMHA based on the skills, education, and job training of the individual that has been designated the head of the FSS family, and based on the available job opportunities within the Hamilton County metropolitan area.

Verification of welfare free status (as currently defined by HUD) must be provided prior to final withdrawal of escrow account funds.

A statement from the most recent HCV landlord to confirm family's good standing, as well as review of whether any debt is posted by the HCV program.

The participant must be working consecutive three months prior to graduation from the program in order to qualify for his or her escrow.

The purpose of this document is to provide guidance on Early Contract Completion of the Family Self – Sufficiency Program and Requesting Escrow Balance Funds. This guide ensures that the Early Completion of the Family Self – Sufficiency Contract of Participation terms and conditions are in accordance with the US Department of Housing and Urban Development's compliance, regulations, requirements, and does not release the PHA or family from the original responsibilities of the Family Self – Sufficiency (FSS) Program Contract of Participation. It allows the participants to complete their goals and responsibilities early and benefit from self – sufficiency. In addition, allows for other Housing Choice Voucher Participants the opportunity to benefit from the FSS program.

All family members must:

1. Comply with the terms of the lease

2. Become independent of welfare assistance and remain independent of welfare assistance for at least 12 consecutive months before the contract expires
3. Be employed for at least 12 consecutive months prior to request of "Early Contract of Participation" and working 32 - 36 hours weekly. (Full time)
4. Complete an early completion assessment questionnaire/Exit Survey Process to determine whether or not self – sufficiency has been met and the individual has the tools to remain self – sufficient
5. If participation in the HCV program, the family must comply with the family obligation under the HCV program (Housing Choice Voucher Program "Things You Should Know") and live in the jurisdiction of the HA that enrolled the family in the FSS program at least 12 months from the effective date of this contract, unless the initial PHA has approved the family's request to move outside its jurisdiction under portability.

#### **Early Completion of Contract**

If any member of the family does not meet his or her responsibilities under this contract, the family will not receive the money in its FSS escrow account, at this time.

NOTE: They can continue on the Family Self – Sufficiency Program for the duration of the Contract of Participation in pursuing their goals.

The family (Head of Household) can request up to 50% of their escrow based on pursuing their goals in achieving self – sufficiency such as... car repair or startup cost for participant owned company or business.

#### **Completion of the Contract of Participation:**

Completion of the contract occurs when the HA determines that:

1. The family has fulfilled all of its responsibilities under the contract; or
2. 30 percent of the family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies.

#### **X.W. TIMETABLE FOR PROGRAM IMPLEMENTATION**

HUD guidelines for enrollment will serve as program goals for FSS enrollment. Per HUD's amendment effective October 21, 1998, the number of families shall be decreased by one family for each family that after that date fulfills its obligation under the FSS Contract of Participation. For purposes of the FSS SEMAP indicator, this would reduce the mandatory size of the FSS program by the number of families that have successfully completed the FSS Contract. To support HUD's goals of increasing homeownership activities and helping HUD-assisted renters to make progress toward self-sufficiency, CMHA may request permission to expand the total number of FSS slots over and above HUD's initial guidelines for enrollment in FSS.

## **Y.X. AFFIRMATIVELY FURTHERING FAIR HOUSING**

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. CMHA shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Housing Choice Voucher Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability.

To further its commitment to full compliance with applicable Civil Rights laws, CMHA will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request at the HCV reception desk.

All Housing Authority staff is kept informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families.

Affirmatively furthering fair housing includes providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority offices, including in the lobby and interview rooms and the equal opportunity logo is used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

The CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

CMHA will take the following steps to ensure that the FSS program "Affirmatively Furthers Fair Housing:"

- Advertise widely in the community for the coordinator position or positions by publicizing and disseminating information to make known the availability of the FSS Coordinator position. CMHA will advertise in a newspaper of general circulation, minority media, and by other suitable means.

- Market the program to all eligible persons, including persons with disabilities and persons with limited English proficiency by:

Providing all annual recertification HCV participants with information about the HCV FSS program (description of the program and FSS Coordinator contact information).

For persons with limited English proficiency (LEP) the following will be considered:

#### **Oral Translation**

The Housing Authority, with sufficient advanced notice, will make arrangements to assist non-English speaking families and translate documents into other languages.

#### **Translation of Documents**

In determining whether it is feasible to provide translation of documents written in English into other languages, CMHA will consider the following factors:

The number of applicants and participants in the jurisdiction who do not speak English and speak the other language.

The estimated cost to CMHA per client of translation of English written documents into the other language.

The availability of local organizations to provide translation services to non-English speaking families.

The availability of bilingual staff to provide translation for non-English speaking families.

Make buildings and communications that facilitate applications and service delivery accessible to persons with disabilities:

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800- 545-1833.

Provide fair housing counseling services or referrals to fair housing agencies to families needing this service.

Inform participants of how to file a fair housing complaint, and provide them with the toll-free number of the Housing Discrimination Hotline: 1-800- 669-9777

To further its commitment to full compliance with applicable Civil Rights laws, CMHA will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, during annual recertification on FSS information forms, on all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request at the HCV reception desk.

If the program has a goal of homeownership or housing mobility, recruiting landlords and service providers in areas that expand housing choice to program participants. Record keeping covers, but is not limited to, the race, ethnicity, familial status, and disability status of program participants by:

Listed below are normal outreach activities used to facilitate an understanding of CMHA's Housing Choice Voucher program by other entities in Hamilton County:

CMHA makes 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. This includes informing participant owners of applicable legislative changes in program requirements.

CMHA encourages owners of decent, safe and sanitary housing units to lease to Housing Choice Voucher Program families.

CMHA encourages participation by owners of suitable units located outside areas of high poverty or minority concentration.

CMHA conducts general meetings with participating owners to improve owner relations, increase program knowledge and recruit new owners.

CMHA maintains a list of interested owners and lists of units available for the Housing Choice Voucher Program and updates this list at least monthly. When listing requests from owners are received, they will be compiled by CMHA staff by bedroom size. CMHA reserves the right to pre-screen the property before listing it.

CMHA maintains lists of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure greater mobility and housing choice to very low-income households. The lists of owners/units will be provided in the lobby, mailed on request, maintained on the agency's Internet site and provided at briefings. CMHA is not responsible for the accuracy of the information on the available unit listing.

The staff of CMHA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

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

CMHA actively participates in a community-based organization(s) comprised of private property and apartment owners and managers.

CMHA actively recruits property owners with property located outside areas of minority and poverty concentration and apply for exception payment standards if CMHA determines it is necessary to make the program more accessible in CMHA's jurisdiction.

CMHA encourages program participation by owners of units located outside areas of poverty or minority concentration. CMHA periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide more choice and better housing opportunities to families.

Voucher holders are informed of a broad range of areas where they may lease units inside CMHA's jurisdiction and are given a list of owners or other parties who are willing to lease units or help families who desire to live outside areas of poverty or minority concentration.

CMHA may work with an outside entity to counsel families on their prospective move and services available in the areas in which the family is interested, with the goal of increasing the number of voucher holders moving into low-poverty neighborhoods.

CMHA shall periodically:

- Request the HUD Field Office to furnish a list of HUD-held properties available for rent.

- Develop working relationships with owners' associations including Greater Cincinnati Northern Kentucky Apartment Association and Real Estate Investors Association.

- Establish contact with civic, charitable and neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.

- Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, owners, and other groups that have dealings with low-income families or are interested in housing such families.

CMHA works with HUD-Approved Homeownership Counseling agencies that promote the CMHA Homeownership program to the community as well. These agencies' training curriculum emphasizes (but not limited to):

- How to find a home, including information about homeownership



opportunities, schools, and transportation in the CMHA jurisdiction;

Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;

How to negotiate the purchase price of a home.

#### **Z.Y. RECORDS FOR MONITORING CMHA PERFORMANCE**

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

## **CHAPTER 22**

### **HOME OWNERSHIP**

**[24 CFR 982.625]**

#### **PHILOSOPHY**

In accordance with CMHA's mission to promote self-sufficiency, the HCV program offers a voluntary Homeownership program. This program allows low-income working, elderly and disabled families the opportunity to become homeowners.

#### **POLICY**

The Quality Housing and Work Responsibility Act of 1998 created the ability for Public Housing agencies to establish Homeownership Programs. Families are permitted to convert their Housing Choice Voucher (HCV) from rental assistance to homeownership assistance. Low-income working, elderly and disabled families will have an opportunity to become homeowners.

In accordance with the HCV Homeownership Program regulations published in 24 CFR 982 and the CMHA Plan's goals to promote self-sufficiency, asset development, and economic security for assisted households, we hereby establish CMHA's HCV Homeownership Program effective April 2002. The HCV Homeownership Program permits eligible participants in the HCV Program the option of purchasing a home with their HCV assistance. CMHA may limit the number of referrals to the counseling agency for the Homeownership Program, ultimately resulting in a maximum of 75 homeowner voucher participants. Expansion of the program is at the sole discretion of CMHA. The policies governing the program will be reevaluated at least on a yearly basis as part of CMHA's Annual Plan.

Participation in the Homeownership Program is voluntary. Each participant must meet the general requirements for participation in the HCV Program. Participation is open to all families, including elderly and disabled families. An attempt will be made to have a mix of Family Self-Sufficiency (FSS), elderly, and disabled families to participate in the program. Eligible applicants (including participants with portable vouchers) must be under lease in the HCV Program. CMHA may waive this requirement for a disabled family who requires reasonable accommodation for their housing and is eligible for admission to the HCV Program. Applicants must be in good standing with CMHA; must be in full compliance with their lease and HCV Program Family Obligations; and must meet HCV Homeownership Program family eligibility requirements.

#### **A. ELIGIBILITY REQUIREMENTS**

To be eligible to participate in the HCV Homeownership Program, families must meet all the following initial eligibility requirements.

**First-Time Homebuyer**

The family must be a first time homebuyer, that is, they may not have owned nor had a financial interest in a residence within the past three years. Exceptions may be granted for families with a disabled family member; a single parent or a displaced homemaker who, while married, owned a home with a spouse or resided in a home owned by a spouse; and for cooperative members who had cooperative memberships prior to the homeownership program.

**Minimum Income Requirement**

To be income eligible, the family must have a minimum gross annual income of at least the Federal minimum wage multiplied by 2000, excluding welfare assistance. Elderly and disabled families may count welfare assistance, but still must have a minimum yearly income as stated above. Also, welfare assistance shall be included only for those adult elderly or disabled family members who will own the home. (Welfare assistance includes Temporary Assistance for Needy Families (TANF); Supplemental Security Income (SSI); general assistance; or other welfare assistance as specified by HUD).

**Minimum Income for Disabled Families**

The minimum income standard is equal to the annual amount of Federal Supplemental Security Income (SSI) benefit for an individual living alone. Since this amount is less than the higher standard established by CMHA, a family may satisfy the minimum income requirement for Homeownership if able to also demonstrate:

The family has been pre-qualified or pre-approved for financing.

The pre-qualified or pre-approved financing meets established requirements (including qualification of lenders and terms of financing).

The pre-qualified or pre-approved financing amount is sufficient to purchase housing that meets HQS standards in CMHA's jurisdiction.

**Employment**

At least one family member who is a homebuyer must be employed full-time (not less than an average of 30 hours per week) and continuously employed for at least one year prior to the date of approval for a mortgage loan. Self-employment may be considered. CMHA may determine whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. Elderly and disabled families are exempt from the employment requirement. Furthermore, if a family, other than an elderly family or a disabled family, includes a person with disabilities, CMHA may grant an exemption from the employment requirement if needed in order to meet a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

### **Mortgage Default**

A family is ineligible if any household member has previously received homeownership assistance and defaulted on a mortgage.

### **Family Self-Sufficiency (FSS) Participant or Graduate, or Elderly, or Disabled**

Applicants for CMHA's HCV Homeownership Program are required to be:

1. Enrolled in the Family Self-Sufficiency (FSS) program, or
2. A former participant who completed the FSS program and continues to receive rental subsidy, or
3. An elderly or disabled family.

### **Good Standing with CMHA**

Applicants for CMHA's HCV Homeownership Program are required to be current on rent, be in full compliance of the lease agreement, and with no monies owed to the CMHA or the landlord. Letters issued by the CMHA which indicate possible program violation(s) will delay participation in this voluntary program. This delay may be for up to 12 months unless the situation has been resolved to the satisfaction of the agency representative who makes the referrals. If the family is responsible for paying for water in their current unit, they must provide the FSS coordinator with proof of a current, paid water bill. The bill must be paid in full prior to closing on the new unit.

### **Minimum Savings Requirement**

To be savings eligible, the family must have a minimum personal savings of \$500 (in a savings account). This is in anticipation of the family's out of pocket fees and costs depending upon the mortgage for which the person/family may qualify.

Families will also be encouraged to save money during the homeownership counseling to meet the additional costs of homeownership (estimated to be \$2,000).

### **Homeownership Ready**

In order to expand the opportunity for homeownership to more participants who may not need the services of Family Self-Sufficiency (FSS), this new category requires that the participant have a minimum annual earned income of \$20,000 with stable, full-time employment for at least one year. The requirement to be pre-enrolled in FSS is removed, but the minimum savings requirement remains the same. Families will be enrolled in FSS during their next recertification cycle.

### **Additional Family Requirements**

Once a family has met all initial eligibility requirements, CMHA will refer the family for an initial assessment and an overview of the HCV Homeownership Program by the counseling agency. The head of household will be determined

prior to the family receiving homeownership assistance.

#### **Pre-assistance Economic Counseling**

If determined necessary, the family will be required to attend and satisfactorily complete pre-assistance economic counseling with a CMHA-approved agency or program. This includes proof of the family's ability to save money and to maintain a checking account.

#### **Pre-assistance Homeownership Counseling**

The family must attend and satisfactorily complete pre-homeownership counseling sessions with CMHA-approved counseling agency. Counseling topics include: home maintenance; budgeting and money management; credit counseling and repair; how to find a home; how to negotiate the purchase price; financing and loan pre-approvals; real estate laws (federal and state); fair housing information; and the advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas.

#### **Mortgage Ready**

The family must be able to secure their own mortgage financing through a lending institution. (See additional qualifications under Financing.)

#### **Family's Down Payment**

The family is required to contribute a minimum of at least three percent of the purchase price. No less than one percent of the purchase price must come from the family's personal resources. (Funds may include a partial withdrawal from the FSS escrow or Individual Development Account.)

#### **Homeownership Voucher Issuance**

Once the family has been pre-approved for financing, CMHA will review specific HCV Homeownership Program forms and processes with both the family and their designated real estate agent. The family will be issued a homeownership voucher with a maximum time of 120 days to locate and purchase a home. For good cause, the voucher may be extended a maximum of two 30-day increments. Should the family fail to locate a unit, the family shall be allowed to request a reissuance of the homeownership voucher. Any reissuance of the homeownership voucher will be reviewed on a case-by-case basis at the discretion of CMHA. Should a homeownership voucher participant fail to locate a home within the approved time frame, the HCV will remain with the family for their rented unit.

### **B. SEARCH AND PURCHASE**

On approval of the program, families are required to work with a licensed real estate agent or an established home buying program to locate a home to purchase. When a family submits a proposed sales agreement with the requisite components, CMHA will review the sales agreement and financial information for

approval or denial.

### **Eligible Units**

The family can purchase any of the following types of homes: a new or existing single-family home; a single family unit in a cooperative or condominium; or a manufactured home to be permanently situated on a lot owned by the family.

Families may also purchase a home under construction or a home not yet under construction. If a family chooses either option, CMHA shall not commence homeownership assistance for the family for that unit until it has passed all required inspection, and construction has been completed.

### **Home Inspection**

Two kinds of physical inspections are required in the homeownership program (in addition to, and separate from, any lender required inspections): (1) an HQS inspection by CMHA and approved by CMHA; and (2) an independent professional home inspection by an inspector chosen and paid by the family, and approved by CMHA:

#### **Housing Quality Standards (HQS) Inspection**

CMHA will conduct its regular inspection to determine that the home meets HQS. If the HQS inspection requires Lead Based Paint (LBP) clearance, the family would be referred to available community resources.

#### **Independent Professional Inspection**

The home must also be inspected by an independent professional inspector; from a list of approved persons or groups, preferably one certified by the American Society of Home Inspectors or similar national organization. It is the family's responsibility to obtain and pay for the independent professional inspection.

The independent inspection must cover major building systems and components.

The independent inspector must provide a copy of the inspection report to CMHA and the family. CMHA will not begin homeownership assistance until the inspection report has been reviewed and approved.

CMHA must review the home inspector's report to determine whether repairs are necessary prior to purchase, and generally to assess whether the purchase transaction makes sense in light of the overall condition of the home and the likely cost of repairs and capital expenditures.

Upon completion of the inspections and approval from CMHA, the buyer must review and sign the Buyer's Acknowledgment and Representation form provided by the FSS Coordinator. The buyer must also review and sign the Statement of Family Obligations for

### **Contract of Sale and Addendum**

The family (buyer) must enter into a sales agreement or contract of sale and Addendum with the seller of the home and provide a copy to CMHA. The Contract of Sale and Addendum must include:

The proposed dwelling address;

The price and other terms of the sale by the seller to the buyer;

The contract is contingent on the house passing a Housing Quality Standards (HQS) inspection performed by CMHA. Any repairs required by CMHA must be completed by the seller and pass a final inspection by CMHA before closing. These repairs are not negotiable.

Provisions that the buyer will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the buyer;

Provisions that the buyer is not obligated to purchase the unit unless the inspection is satisfactory to both CMHA and the buyer;

The buyer shall not be obligated to complete the purchase of the property should the property appraise for less than the sale price listed on the Contract.

Provisions that the buyer is not obligated to pay for any necessary repairs;

A certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation;

A certificate from the seller that the housing unit does not have existing Lead Based Paint work orders issued by any Health Department.

CMHA has the right to: (1) inspect the dwelling and determine that it meets HQS; (2) review and approve the independent inspection report; and (3) review and approve the financing terms and requirements.

Should CMHA not approve the purchase of the property for reasons including, but not limited to, any of the reasons listed above, the earnest money deposit shall not be forfeited and the funds shall be returned to the buyer.

### **Financing**

Financing must comply with the secondary mortgage market underwriting requirements; or comply with generally accepted private-sector underwriting standards. If financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements. Predatory lending practices are prohibited, such as: sellers financing, balloon payment mortgage, the loan exceeds the client's ability to pay, does not include escrow for taxes and insurance, or is an adjustable rate mortgage.

CMHA has the right to review lender qualifications and loan terms before authorization of the homeownership assistance. CMHA reserves the right to

disapprove financing, refinancing or other debt if determined that it is unaffordable or the lender or loan terms do not meet financing requirements.

**C. FAMILY OBLIGATIONS FOR CONTINUED ASSISTANCE**

Homeownership assistance will only be paid while the family is living in the home. Should the family move out of the unit, CMHA may not continue homeownership assistance. The family or lender is not required to refund assistance for the month when a family moves out.

The family must execute the Things You Should Know About Housing Choice Voucher Program agreeing to comply with all family obligations under the HCV Program and CMHA's Statement of Family Obligations for the HCV Homeownership Program. Failure to comply may result in Homeownership Assistance Payment being withheld, recovered or terminated. The Family Homeownership Obligations for continued assistance are as follows:

Attend and complete post homeownership counseling;

Comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt);

Notify CMHA of an intent to sell in order to be advised of the process;

May not sell or transfer the home to anyone other than a member of the assisted family who resides in the home while receiving homeownership assistance;

Supply all required information to CMHA, including, but not limited to, annual household income verifications, and homeownership expenses;

Provide notice of move-out to CMHA before the family moves out of the home;

Provide notice of mortgage default to CMHA or if 30 days delinquent in mortgage payment;

No family member may have any ownership interest in any other residential property during the time the family receives homeownership assistance;

The family must agree not to refinance or incur additional debt secured by the home without prior written approval from CMHA;

Allow CMHA to inspect the home if deemed necessary;

The family must comply with the terms of the Homeownership Statement of Family Obligations by maintaining fulltime employment (30 hours per week) or, in the event of loss of employment or other household income, family must actively seek income that meets the current minimum eligibility requirements for the HCV Homeownership Program or at a comparable level (whichever is greater);

The family must provide verification to CMHA that the family is current on



payment of the mortgage, taxes, insurance, and utility payments at each annual recertification or upon request by CMHA; and

Ensure that property standards are consistent with neighborhood standards, including the responsibility to be a good neighbor.

### **Time Limitations**

Except for disabled and elderly families, a family may receive CMHA's HCV Program homeownership assistance for a term not to exceed 10 years from the closing, unless the initial mortgage incurred to finance the home has a term of 20 years or longer, in which case the maximum term is 15 years.

### **Elderly and Disabled Families**

Families that qualify as elderly at the start of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled at the start of homeownership assistance, or at any time during participation in the homeownership program, are not subject to a maximum term limitation. The term of the second mortgage may be beyond 15 years.

If an elderly or disabled family ceases to qualify as such while receiving homeownership assistance, the appropriate maximum term becomes applicable from the date homeownership assistance began; provided, however, the family will be eligible for at least 6 additional months of homeownership assistance after the maximum term becomes applicable.

If the family has received assistance for different homes or from other housing authorities, the total of such assistance terms is subject to the maximum term limitation.

### **Amount and Distribution of Assistance**

While the family is residing in the home, CMHA will make monthly homeownership assistance payments on behalf of the family directly to the lender(s). If the assistance payment exceeds the amount due the lender(s), the excess will be paid to the family.

The amount of the monthly assistance payment will be based on three factors: the payment standard, the family's household income, and homeownership expenses. The voucher payment standard is the fixed amount CMHA establishes annually as the fair market rent (FMR) for a unit of a particular size located within Hamilton County's jurisdiction. CMHA will use the same voucher program payment standard amounts for homeownership.

### **Payment Standard**

In the homeownership program, the initial payment standard will be the lower of either: (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. If the home is located in an exception FMR area, CMHA will use the appropriate payment standard for the exception FMR.

The payment standard in subsequent years will be based on the greater of the payment standard at the start of homeownership assistance; or the payment standard at the most recent regular reexamination of family income and composition since the start of homeownership assistance.

### **Homeownership Expenses**

Homeownership expenses include principal and interest on the initial mortgage debt; any refinancing of such debt; and any mortgage insurance premium incurred to finance the purchase; real estate taxes and public assessments; home insurance; CMHA allowance for utilities; CMHA allowance for routine maintenance expenses; CMHA allowances for major repairs and replacements; principal and interest on major repairs. If the home is a cooperative or condominium, homeownership expenses may include operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.

### **Homeownership Assistance Payment (HAP)**

CMHA will use the lower of either: (1) the payment standard minus the total tenant payment or (2) the family's monthly homeownership expenses minus the total tenant payment. CMHA will annually reexamine family income and composition and make adjustments to the amount of the monthly homeownership assistance payment. Homeownership Assistance Payments will be made directly to the lender. The family will be responsible to submit its mortgage payment to the lender.

Participation in the program will automatically terminate 180 calendar days after the last homeownership assistance payment was made on behalf of the family. CMHA reserves the right to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

### **Portability of Homeownership Assistance**

Families that are determined eligible for homeownership assistance by CMHA may purchase a unit outside the Hamilton County jurisdiction, provided the receiving Asset Management authority is administering a HCV Homeownership Program and is accepting new homeownership families.

CMHA may approve a family's portability move inside its jurisdiction specifically for homeownership if the family demonstrates that:

- The family meets the CMHA initial eligibility requirements for the HCV Homeownership Program.

- The family meets the specific counseling requirements for the HCV Homeownership Program.

- The family will continue to meet the eligibility requirements for CMHA's HCV Homeownership program once they receive a Homeownership voucher

and move to CMHA's jurisdiction.

#### **Moving with Continued Assistance**

Families receiving homeownership assistance may request permission from CMHA to move to a new unit either with (1) voucher rental assistance or with (2) voucher homeownership assistance, only one time in any one-year period.

The family may not receive assistance in a new unit while a family member owns title or other interest in the prior home. CMHA will provide continued homeownership assistance as long as the family meets all initial HCV Homeownership eligibility requirements, with the exception of being a first-time homeowner and pre-assistance counseling. However, CMHA may require additional counseling.

CMHA may deny permission for the family to move with continued voucher assistance if CMHA (1) determines that it does not have sufficient funding to provide continued assistance or (2) the family has been terminated or denied assistance.

#### **D. DENIAL OR TERMINATION OF HOMEOWNERSHIP ASSISTANCE**

CMHA may terminate homeownership assistance or may deny voucher rental assistance as follows: (1) Failure to comply with Family Obligations under the Housing Choice Voucher Program (Things You Should Know About CMHA's HCV Program), or (2) Failure to comply with Homeownership Family Obligations and/or requirements or, (3) Mortgage default.

##### **Procedure for Termination or Denial of Homeownership Assistance**

Families in the HCV Homeownership Program are entitled to the same termination or denial notice procedures as the voucher rental assistance program. Families are entitled to informal hearing procedures as set forth in CMHA's administrative plan.

##### **Default on FHA-Insured Mortgage**

If the family defaults on an FHA-insured mortgage, CMHA may permit the family to move with continued HCV Program rental assistance if the family demonstrates that it has (1) Conveyed title to the home to HUD or their designee, as required by HUD; and (2) Moved from the home within the period established or approved by HUD.

##### **Default on Non-FHA-Insured Mortgage**

If the family defaults on a mortgage that is not FHA-insured, CMHA may permit the family to move with continued HCV Program rental assistance if the family demonstrates that it has (1) Conveyed title to the home to the lender, to CMHA or to their designee, as may be permitted or required by the lender; and (2) Moved from the home within the period established or approved by the lender and/or CMHA.

**Waiver or Modification of Homeownership Policies**

The Executive Director of CMHA or his designated representative will have the sole discretion to waive or modify any provisions of the HCV Homeownership Program not governed by statute or regulation or to comply with changes in HUD regulations or directives, or to maintain uniformity and/or consistency with programs offered by or through CMHA.

## Glossary

### **GLOSSARY**

#### **A. ACRONYMS USED IN SUBSIDIZED HOUSING**

<b>ACC</b>	Annual Contributions Contract
<b>AAF</b>	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant
<b>CFR</b>	Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules, which are first published in the Federal Register and define and implement a statute.
<b>CPI</b>	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
<b>ELI</b>	Extremely low income - very low-income families whose income does not exceed the higher of 30 percent of the area median income or the federal poverty level.
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act - Social Security taxes
<b>FmHA</b>	Farmers Home Administration
<b>FMR</b>	Fair Market Rent
<b>FY</b>	Fiscal Year
<b>FYE</b>	Fiscal Year End
<b>GAO</b>	Government Accounting Office
<b>GFC</b>	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
<b>GR</b>	Gross Rent
<b>HAP</b>	Housing Assistance Payment
<b>HAP Plan</b>	Housing Assistance Plan

## Glossary

<b>HCDA</b>	Housing and Community Development Act
<b>HQS</b>	Housing Quality Standards
<b>HUD</b>	The Department of Housing and Urban Development or their designee.
<b>HURRA</b>	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations
<b>IG</b>	Inspector General
<b>IGR</b>	Independent Group Residence
<b>IPA</b>	Independent Public Accountant
<b>IRA</b>	Individual Retirement Account
<b>MSA</b>	Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PHA</b>	Public Housing Agency
<b>PMSA</b>	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PS</b>	Payment Standard
<b>QC</b>	Quality Control
<b>RFAT</b>	Request for Approval of Tenancy
<b>RFP</b>	Request for Proposals
<b>RRP</b>	Rental Rehabilitation Program
<b>SRO</b>	Single Room Occupancy
<b>SSMA</b>	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area.
<b>TR</b>	Tenant Rent
<b>TTP</b>	Total Tenant Payment
<b>UA</b>	Utility Allowance
<b>URP</b>	Utility Reimbursement Payment
<b>VAWA</b>	Violence Against Women Act

## Glossary

### **B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

**1937 ACT.** The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

**ADMINISTRATIVE PLAN.** The HUD required written policy of the PHA governing its administration of the Housing Choice Voucher Program tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD as a supporting document to the PHA Plan.

**ABSORPTION.** In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

**ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE").** Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

**ADA.** Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ADMINISTRATIVE FEE.** Fee paid by HUD to the PHA for administration of the program.

**ADMINISTRATIVE FEE RESERVE (Formerly "Operating reserve").** Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

**ADMISSION.** The effective date of the first HAP Contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

**ANNIVERSARY DATE.** The date of Renewal. For every contract entered the anniversary date will be the 1<sup>st</sup> of the month in which the contract was started (i.e. initial move in date June 22, 2003, the Anniversary Date is June 1).

**ANNUAL BUDGET AUTHORITY.** The maximum annual payment by HUD to a PHA for a funding increment.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

**ANNUAL INCOME.** The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**ANNUAL INCOME AFTER ALLOWANCES.** The Annual Income (described above) less the HUD-approved allowances.

## Glossary

**APPLICANT/APPLICANT FAMILY.** A family that has applied for admission to a program, but is not yet a participant in the program.

**"AS-PAID" STATES.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**ASSETS.** (See Net Family Assets.)

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Housing Choice Voucher Program assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236-market rent or 120% of the BMIR rent, respectively.

**BIENNIAL INSPECTION.** Inspection conducted once every 2 years.

**BUDGET AUTHORITY.** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**CERTIFICATE.** A Certificate issued by the PHA under the Housing Choice Voucher Program pre-merger certificate program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation. Will no longer be issued after October 1, 1999.

**CERTIFICATE PROGRAM.** Pre-merger rental certificate program.

**CHILD CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

**CO-HEAD.** An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a co-head and a spouse and; a co-head is never a dependent).

**COMMON SPACE.** In shared housing: Space available for use by the assisted family and other occupants of the unit.

**CONGREGATE HOUSING.** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

**CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT.** (Consolidated ACC). See 24 CFR 982.151.

**CONTIGUOUS MSA.** In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.



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**CONTINUOUSLY ASSISTED.** An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**COOPERATIVE. (term includes mutual housing).** Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: See 24 CFR 982.619. **COST OF LIVING ADJUSTMENT (COLA).**

**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.** [As defined in Section 40002 of the Violence Against Women Act of 1994] means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

**DISABILITY ASSISTANCE EXPENSE.** Anticipated costs for care attendants and auxiliary apparatus for disabled family members, which enable a family member (including the disabled family member) to work.

**DISABLED 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 PERSON/FAMILY.** A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

**DOMESTIC VIOLENCE.** [As defined in Section 40002 of the Violence Against Women Act of 1994] includes (i) felony or misdemeanor crimes of violence committed by a current or former spouse of the victim; (ii) by a person with whom the victim shares a child in common; (iii) by a person who is cohabiting with or has co-habited with the victim as a spouse; (iv) 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 (v) by any other person against an adult or youth victim who is protected from that person's acts

## **Glossary**

under the domestic or family violence laws of the jurisdiction.

**DOMICILE.** The legal residence of the household head or spouse as determined in accordance with State and local law.

**DRUG-RELATED CRIMINAL ACTIVITY.** The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).

**DRUG TRAFFICKING.** The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

**ECONOMIC SELF-SUFFICIENCY PROGRAM.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603 (c).

**ELDERLY FAMILY.** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more Live-In Aides.

**ELDERLY HOUSEHOLD.** A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and well-being.

**ELDERLY PERSON.** A person who is at least 62 years old.

**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY (Family).** A family is defined by the PHA in the Administrative Plan, which is approved by HUD.

**EXCEPTIONAL MEDICAL OR OTHER EXPENSES.** Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889, which exceeded 25% of the Annual Income. It is no longer used.

**EXCEPTION RENT.** In the pre-merger certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. See FMR/Exception rent.

**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income which are not reimbursable from any other source.

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**EXTREMELY LOW-INCOME FAMILY.** very low-income families whose income does not exceed the higher of 30 percent of the area median income or the federal poverty level.

**EHV.** Emergency Housing Vouchers to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

**FAIR HOUSING ACT.** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.)

**FAIR MARKET RENT (FMR).** The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the *Federal Register*.

**FAMILY.** "Family" includes but is not limited to the following, **regardless of actual or perceived sexual orientation, gender identity, or marital status:**

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- (2) A group of persons residing together and such group include, but is not limited to:
  - (i) 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);
  - (ii) An elderly family;
  - (iii) A near-elderly family;
  - (iv) A disabled family;
  - (v) A displaced family; and
  - (vi) The remaining member of a tenant family.

In addition, for categorizing family as defined above, the terms disabled family, elderly family and near-elderly family (per 24 CFR 5.403) are:

- *Disabled family* means a family whose head (including co-head), spouse or sole member is a person with a disability.
- *Elderly family* means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.
- *Near elderly family* means a family whose head (including co-head), spouse or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age An applicant must be within the appropriate Income limits.

**FAMILY OF VETERAN OR SERVICE PERSON.** A family is a "family of veteran or service person" when:

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The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FAMILY RENT TO OWNER.** In the voucher program, the portion of the rent to owner paid by the family.

**FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM).** The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

**FAMILY SHARE.** The amount calculated by subtracting the housing assistance payment from the gross rent.

**FAMILY UNIT SIZE.** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA's subsidy standards.

**FIXED INCOME SOURCE.** Income received in periodic payments at reasonably predictable levels from one or more of the following sources:

- (a) Social Security, Supplemental Security Income, Supplemental Disability Insurance;
- (b) Federal, state, local or private pension plans;
- (c) Annuities or other retirement benefit programs, insurance policies, disability or death benefits or other similar types of periodic receipts;  
or
- (d) Any other source of income subject to adjustment by a verifiable Cost of Living Adjustment (COLA) or current rate of interest.

**FMR/EXCEPTION RENT.** The fair market rent published by HUD headquarters. In the pre-merger certificate program, the initial contract rent for a dwelling unit plus any utility allowance could not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the voucher program the PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size.

**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.

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**FULL-TIME STUDENT.** A person who is attending school or vocational training on a full-time basis (is 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.

**GENERATION.** The average period between the birth of the parents and the birth of their offspring.

**GENDER IDENTITY.** Actual or perceived gender-related characteristics.

**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.

**GROSS RENT.** The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

**GROUP HOME.** A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any Live-In Aide).

**HAP CONTRACT.** (See Housing Assistance Payments contract.)

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

**HOMELESS.** An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- (i) Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation
- (ii) Or Living in a shelter (designated to provide temporary living arrangements
- (iii) Or exiting an institution with no subsequent residence identified where they resided for 90 days or less AND were residing in emergency shelter or place not meant for human habitation immediately before entering institution

**HOUSING AGENCY.** 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 AND COMMUNITY DEVELOPMENT ACT OF 1974.** Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Housing Choice Voucher Programs.

**HOUSING ASSISTANCE PAYMENT.** The monthly assistance payment by a PHA. The total assistance payment consists of:

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1. A payment to the owner for rent to owner under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

**HOUSING ASSISTANCE PAYMENTS CONTRACT. (HAP Contract).** A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HOUSING CHOICE VOUCHER PROGRAM.** Housing Choice Voucher Program of the United States Housing Act of 1937 (42 U.S.C. 14370).

**HOUSING QUALITY STANDARDS (HQS).** The HUD minimum quality standards for housing assisted under the tenant-based programs.

**HUD.** The Department of Housing and Urban Development.

**HUD REQUIREMENTS.** HUD requirements for the Housing Choice Voucher Program. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**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 (either actual past income or projected income) from all sources of each member of the household as determined in accordance with criteria established by HUD.

**INCOME FOR ELIGIBILITY.** Annual Gross Income.

**INDIAN.** Any person recognized as an Indian or Alaska native by an Indian tribe, the federal government, or any State.

**INDIAN HOUSING AUTHORITY (IHA).** A housing agency established either by exercise

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of the power of self-government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

**INITIAL PHA.** In portability, the term refers to both:

3. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
4. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

**INITIAL PAYMENT STANDARD.** The payment standard at the beginning of the HAP Contract term.

**INITIAL RENT TO OWNER.** The rent to owner at the beginning of the HAP Contract term.

**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

**JURISDICTION.** The area in which the PHA has authority under State and local law to administer the program.

**LANDLORD.** This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

**LARGE VERY LOW INCOME FAMILY.** Prior to the 1982 regulations, this meant a very low-income family which included six or more minors. This term is no longer used.

**LEASE.** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP Contract between the cooperative and the PHA.

**LEASE ADDENDUM.** For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

**LIMITED ENGLISH PROFICIENT (LEP)** . persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand. For purposes of Title VI and the LEP Guidance, persons may be entitled to language assistance with respect to a particular service, benefit, or encounter.

**LIVE-IN AIDE.** A person who resides with an elderly person or disabled person and who

## Glossary

is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and would not be living in the unit except to provide necessary supportive services.

**LOCAL PREFERENCE.** A preference used by the PHA to select among applicant families.

**LOW-INCOME FAMILY.** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low-income families.

**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 24 CFR 982.620 and 982.621.

**MANUFACTURED HOME SPACE.** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

**MARKET RENT.** The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Housing Choice Voucher Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Housing Choice Voucher Program Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those total medical expenses, including medical insurance premiums, which 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 (excluding foster children) other than the family head or spouse who is under 18 years of age.

**MIXED FAMILY.** A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3)

**MONTHLY-ADJUSTED INCOME.** 1/12 of the Annual Income after Allowances or Adjusted Income.

**MONTHLY INCOME.** 1/12 of the Annual Income.

**MUTUAL HOUSING.** Included in the definition of COOPERATIVE.



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**NATIONAL.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**NEAR-ELDERLY FAMILY.** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more Live-In Aides.

**NEGATIVE RENT.** Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

**NET FAMILY ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

**NET FAMILY CONTRIBUTION.** Former name for Tenant Rent.

**NONCITIZEN.** A person who is neither a citizen nor a national of the United States.

**OCCUPANCY STANDARDS.** [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

**OVER-FMR TENANCY (OFTO).** In the pre-merger Certificate program: A tenancy for which the initial gross rent exceeds the FMR/exception rent limit.

**OWNER.** Any persons or entity having the legal right to lease or sublease a unit to a participant.

**PARTICIPANT.** A family that has been admitted to the PHA's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP Contract executed by the PHA for the family (First day of initial lease term).

**PAYMENT STANDARD.** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

**PERSON 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 an "individual with handicaps" as defined in 24 CFR 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

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alcohol dependence (for low-income housing eligibility purposes).

**PHA PLAN.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 903 of this chapter.

**PORTABILITY.** Renting a dwelling unit with Housing Choice Voucher Program tenant-based assistance outside the jurisdiction of the initial PHA.

**PREMISES.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**PRIVATE SPACE.** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

**PROCESSING ENTITY.** Entity responsible for making eligibility determinations and for income reexaminations. In the Housing Choice Voucher Program, the "processing entity" is the "responsible entity."

**PROGRAM.** The Housing Choice Voucher Program tenant-based assistance program under 24 CFR Part 982.

**PROGRAM RECEIPTS.** HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

**PUBLIC ASSISTANCE.** Welfare or other payments to families or individuals based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**PUBLIC HOUSING AGENCY (PHA).** PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

5. A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):
6. Any other public or private non-profit entity that was administering a Housing Choice Voucher Program tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
7. For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

**REASONABLE RENT.** A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for

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comparable unassisted units in the premises.

**RECEIVING PHA.** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

**RECERTIFICATION.** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

**REGULAR TENANCY.** In the pre-merger certificate program: A tenancy other than an over-FMR tenancy.

**REMAINING MEMBER OF TENANT FAMILY.** Person left in assisted housing after other family members have left and become unassisted.

**RENT TO OWNER.** The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

**RESIDENCY PREFERENCE.** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

**RESIDENCY PREFERENCE AREA.** The specified area where families must reside to qualify for a residency preference.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Housing Choice Voucher Program housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Housing Choice Voucher Program assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

**RESPONSIBLE ENTITY.** For the Asset Management and Housing Choice Voucher Program tenant-based assistance, project-based - certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Housing Choice Voucher Program, the responsible entity means the Housing Choice Voucher Program owner.

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT.** A dollar amount that can be applied to unpaid rent, damages or other amounts to the owner under the lease.

**SEXUAL ORIENTATION.** Means homosexuality, heterosexuality or bisexuality.

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**SERVICE PERSON.** A person in the active military or naval service (including the active reserve) of the United States.

**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.

**SINGLE PERSON.** A person living alone or intending to live alone.

**SPECIAL ADMISSION.** Admission of an applicant that is not on the PHA wait list or without considering the applicant's wait list position.

**SPECIAL HOUSING TYPES.** See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**SPECIFIED WELFARE BENEFIT REDUCTION.** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**SPOUSE.** The husband or wife of the head of the household.

**STALKING.** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and to place under surveillance with the intent to kill, injure, harass or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person. For purposes of this definition, "Immediate Family Member" means a spouse, parent, brother, sister or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood or marriage.

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

8. Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
9. Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or
10. Direct loans pursuant to Section 202 of the Housing Act of 1959; or

11. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;
12. Payments under the Housing Choice Voucher Program Housing Assistance Payments Program pursuant to Housing Choice Voucher Program of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;
13. A Public Housing Project.

**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.

**SUBSTANDARD UNIT.** Substandard housing is defined by HUD for use as a federal preference.

**SUSPENSION/TOLLING.** Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension.

**TENANCY ADDENDUM.** For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

**TENANT.** The person or persons (other than a live-in aide) who execute the lease as lessee of the dwelling unit.

**TENANT FILE.** Includes both the paper file of documents submitted, received or generated on/by or on behalf of a family. This also includes electronically stored imaging and information maintained in CMHA's software system(s).

**TENANT RENT.** The amount payable monthly by the family as rent to the unit owner (Housing Choice Voucher Program owner or PHA in public housing). For a tenancy in the pre-merger certificate program, tenant rent equals the total tenant payment minus any utility allowance.

**THIRD-PARTY VERIFICATION.** Independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family. The verification documents must be generated by the independent source.

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

**UNIT.** Residential space for the private use of a family.

**UNUSUAL EXPENSES.** Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

**UPFRONT INCOME VERIFICATION.** The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

**UTILITIES.** Utilities include water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

**UTILITY REIMBURSEMENT.** In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

**UTILITY REIMBURSEMENT PAYMENT.** In the pre-merger certificate program, the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS.** (For pre-merger certificate contracts effective prior to 10/2/95) 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.

**VIOLENCE AGAINST WOMEN ACT.** Defined in Section 6(u)(3) of the United States Housing Act of 1937, as amended, (42 U.S.C. §1437d(u)(3)) and in the Violence Against Women Act Policy.

**VERY LARGE LOWER-INCOME FAMILY.** Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

**VERY LOW INCOME FAMILY.** A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the pre-merger certificate and voucher programs.

**VETERAN.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released there from under conditions other than dishonorable.

In the selection of tenants for dwelling units, CMHA shall give preference, (as among applicants equally in need and eligible for occupancy of the dwelling unit), to families of veterans and persons serving in the active military or naval service of the United States, including families of deceased veterans or deceased persons who were so serving at the time of death. For purposes of the preference, "Veteran" means either of the following:

- (i) A person who has served in the active military or naval service of the United States and who was discharged or released there from under conditions other than dishonorable;
- (ii) A person who served as a member of the United States Merchant Marine and to whom either of the following applies:
  - 1. The person has an honorable report of separation from active duty military service, form DD214 or DD215.
  - 2. The person served in the United States Merchant Marine between December 7, 1941, and December 31, 1946, and died on active duty while serving in a war zone during that period of service.
  - 3. "United States Merchant Marine" includes the United States Army transport service and the United States Naval transport service.

**VIOLENT CRIMINAL ACTIVITY.** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**VOUCHER (rental voucher).** A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the 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.

**WAIT LIST.** A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

**WAIT LIST ADMISSION.** An admission from the PHA wait 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, childcare 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, SDI, or Social Security.

**WELFARE RENT.** This concept is used ONLY for pre-merger Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Voucher Program.

14. If the agency does NOT apply a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.

15. If the agency applies a ratable reduction, welfare rent is a percentage of the maximum the agency could allow.

**WELFARE-TO-WORK (WTW) FAMILIES.** Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WT. funding for the same purpose).



**C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE**

**CHILD.** A member of the family other than the family head or spouse who is under 18 years of age.

**CITIZEN.** A citizen or national of the United States.

**EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS.** The documents which must be submitted to evidence citizenship or eligible immigration status.

**HEAD OF HOUSEHOLD.** The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

**HUD.** Department of Housing and Urban Development.

**INS.** The U.S. Immigration and Naturalization Service.

**MIXED FAMILY.** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**NATIONAL.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**NONCITIZEN.** A person who is neither a citizen nor national of the United States.

**PHA.** A housing authority that operates Asset Management.

**RESPONSIBLE ENTITY.** The person or entity responsible for administering the restrictions on providing assistance to non-citizens with ineligible immigration status (the PHA).

**SECTION 214.** Section 214 restricts HUD from making financial assistance available for non-citizens unless they meet one of the categories of eligible immigration status specified in Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

**SPOUSE.** Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.

## Program Integrity Addendum

### ***PROGRAM INTEGRITY ADDENDUM***

[24 CFR 792.101 to 792.204, 982.54]

#### **PHILOSOPHY**

The U.S. Department of Housing and Urban Development (HUD) conservatively estimates that 600 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families either are totally ineligible or are receiving benefits that exceed their legal entitlement.

CMHA is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained.

#### **POLICY**

CMHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously. The agency will use reports from PIC and Elite to ensure program compliance.

This chapter outlines CMHA's policies for the prevention, detection, and investigation of program abuse and fraud.

#### **A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will CMHA undertake an inquiry or an audit of a participating family or property owner arbitrarily. CMHA's expectation is that participating families and property owners will comply with HUD requirements, provisions of the voucher, and other program rules. CMHA staff will make every effort (formally and informally) to orient and educate all clients in order to avoid unintentional violations. However, CMHA has a responsibility to HUD, the community, and eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to CMHA's attention, to investigate such claims.

CMHA will initiate an investigation of a participating family or property owner only in the event of one or more of the following circumstances:

- **Referrals, Complaints, or Tips.** CMHA will follow up on referrals received by mail, by telephone, or in person from other agencies, companies or persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.
- **Internal File Review.** A follow-up will be made if CMHA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality

## Program Integrity Addendum

control review) information or facts that conflict with previous file data, CMHA's knowledge of the family, or statements made by the family.

- **Verification of Documentation.** A follow-up will be made if CMHA receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or other agencies).

### **B. STEPS CMHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD**

CMHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants, participating families and property owners. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by CMHA clients.

**Things You Should Know (HUD-1140-OIG).** This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify CMHA's expectations for cooperation and compliance.

**Review and Explanation of Forms.** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

**Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

**Participant Certification (Voucher).** Head or Co-head will be required to sign a participant certification form.

### **C. STEPS CMHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

CMHA staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted families or program property owners.

**Quality Control File Reviews.** Prior to initial certification and at the completion of all subsequent recertifications, client files per Housing Specialist per month will be reviewed by CMHA staff. At a minimum, such reviews shall examine:

- Verification of all income and deductions
- Changes in reported Social Security numbers or dates of birth
- Authenticity of file documents
- Ratio between reported income and expenditures
- Consistency of signatures with previously signed file documents
- Dates and signatures on all documents

## Program Integrity Addendum

**Observation.** CMHA management and occupancy staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

### **Observations will be documented in the family's file.**

**Public Record Bulletins.** These bulletins may be reviewed by management and staff.

**State Wage Data Record Keepers.** Inquiries to state wage and employment record-keeping agencies, as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

**Credit Bureau Inquiries.** Credit bureau inquiries may be made (using a release of information form as authorization for credit and other checks) in the following circumstances:

At the time of final eligibility determination

When an allegation is received by CMHA wherein unreported income sources are disclosed

When a participant's expenditures exceed his/her reported income and no plausible explanation is given

## **D. CMHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

CMHA staff will encourage all participating families to report suspected abuse to the Housing Choice Voucher Program. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up. CMHA will not follow up on allegations that are vague or otherwise nonspecific. They will only review allegations that contain one or more independently verifiable facts.

**File Review.** An internal file review will be conducted to determine whether the subject of the allegation is a client of CMHA and, if so, whether or not the information reported has been previously disclosed by the family.

CMHA will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

**Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable, CMHA will initiate an investigation to determine if the allegation is true or false.

## **Program Integrity Addendum**

### **E. OVERPAYMENTS TO OWNERS**

If an owner has been overpaid as a result of fraud, misrepresentation, or violation of the HAP Contract, CMHA may terminate the contract and arrange for restitution to CMHA and/or the family as appropriate.

CMHA will make every effort to recover any overpayments made as a result of owner fraud or abuse. Payments otherwise due to the owner may be debited in order to repay CMHA or the tenant, as applicable.

### **F. HOW CMHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If CMHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the executive director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, CMHA will use a release of information form as the written authorization from the program participant to authorize credit and other checks.

**Credit Bureau Inquiries.** In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine whether the financial activity of a family conflicts with the family's reported income.

**Verification of Credit.** In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor to determine the source of unreported income.

**Employers and Ex-Employers.** Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.

**Neighbors/Witnesses.** Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to CMHA's review may be interviewed.

**Other Agencies.** Investigators, caseworkers or representatives of other benefit agencies may be contacted.

**Public Records.** CMHA will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

**Interviews with Head of Household or Family Members.** CMHA will discuss the allegation (or details thereof) with the head of household or family members by scheduling an appointment at the appropriate CMHA office. A high standard of courtesy and professionalism will be maintained by CMHA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

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### **G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY CMHA**

Documents and other evidence obtained by CMHA during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among CMHA staff who are involved in the process or have information that may assist in the investigation.

### **H. CONCLUSION OF CMHA'S INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, the reviewer will report the findings to the Director of Rental Assistance Programs. It will then be determined whether the facts indicate that a violation has occurred.

### **I. EVALUATION OF THE FINDINGS**

If it is determined that a program violation has occurred, CMHA will review the facts to determine:

- What type of violation has occurred (procedural noncompliance or fraud)?
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the family?
- Whether the family is eligible for continued occupancy.

### **J. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED**

Once a program violation has been documented, CMHA will propose the most appropriate remedy based upon the type and severity of the violation.

#### **Procedural Noncompliance**

This category applies when the family "fails to" observe a procedure or requirement of CMHA but does not misrepresent a material fact and there are no retroactive assistance payments owed by the family.

Examples of noncompliance violations are:

Failure to appear at a prescheduled appointment

Failure to return verification in the time period specified by CMHA warning Notice to the Family. In such cases a notice containing the following will be sent to the family:

A description of the noncompliance and the procedure, policy, or obligation that was violated.

The date by which the violation must be corrected or the procedure complied

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with.

The action that will be taken by CMHA if the procedure or obligation is not complied with by the date specified by CMHA.

The consequences of noncompliance.

#### **Procedural Noncompliance - Overpaid Assistance**

When the family owes money to CMHA for failure to report changes in income or assets, CMHA will issue a notice of overpayment of assistance. This notice will contain the following:

A description of the violation and the date(s).

The amount owed to CMHA.

The number of days within which a response must be received.

Acknowledgment of the family's right to disagree and to request an informal hearing along with instructions for requesting such a hearing.

Participant Fails to Comply with CMHA's Notice. If the Participant fails to comply with CMHA's notice and a family obligation has been violated, CMHA will initiate termination of assistance.

Participant Complies with CMHA's Notice. When a family complies with CMHA's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person notes to the file that compliance has been achieved.

#### **Intentional Misrepresentations**

When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by CMHA, the agency will evaluate whether or not:

The participant had knowledge that his/her actions were wrong. The participant willfully violated the family obligations or the law.

#### **Knowledge**

This will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing.

#### **Willful Intent**

Any of the following circumstances will be considered adequate to demonstrate willful intent:

An admission by the participant of the misrepresentation  
Repetition of the misrepresentation



Use of a false name or Social Security number

Admissions of the illegal action or omission by the participant to others

Omission of material facts known to the participant (e.g., employment of the participant or other household member)

Falsification, forgery or altering of documents

Uttering and certifying to statements at an interim (re)determination that are later independently verified to be false

#### **Dispositions of Cases Involving Misrepresentations**

In all cases of misrepresentations involving efforts to recover monies owed, CMHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution. If CMHA has established criminal intent and the case meets the criteria for prosecution, CMHA will:

- Refer the case for legal action, notify HUD's regional inspector general for investigation (RIGI), and terminate rental assistance.

Administrative Remedies. CMHA will:

- Terminate assistance and pursue restitution through civil litigation.

Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with CMHA's repayment policy.

