

COASTAL COMMUNITY ACTION, INC

ADMINISTRATIVE PLAN

HOUSING CHOICE VOUCHER

Nadine Buchanan
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Chapter 1 STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The U.S. Housing Act of 1937 authorized local Public Housing Agencies (Public Housing Authorities/PHAs) to be established by individual states. PHA NC141 is administered by Coastal Community Action, Inc. The current Housing Choice Voucher (HCV) program evolved from various acts, amendments and rules. The most recent changes are the Quality Housing and Work Responsibility Act of 1998 (QHWRA) and the 1999 Housing and Urban Development (HUD) rule that provided for the merger of the certificate and voucher programs into one housing choice voucher program. This Administrative Plan clarifies PHA policies to facilitate the operation of the HCV Program.

Administration of the HCV Program and the functions and responsibilities of PHA staff shall be in compliance with the PHA's personnel policy, HUD regulations, and all federal and state laws including fair housing laws and regulations.

A. HOUSING CHOICE VOUCHER PROGRAM MISSION STATEMENT

This mission of the HCV Program is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

Our mission is performed with dignity, fairness, respect and sensitivity.

B. LOCAL OBJECTIVES

The HCV Program is designed to achieve these major objectives:

- To provide access to decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at a fair and affordable level;
- To promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to have access to the widest possible choice of housing to meet their housing needs;
- To encourage self-sufficiency of participant families and assist in the identification of opportunities which address educational and socio-economic needs;
- To ensure that all units meet Housing Quality Standards (HQS);
- To administer an efficient, high-performing PHA through continuous improvement of the PHA's support systems and commitment to its employees, their development, and the maintenance of high standards and professionalism;
- To administer a housing program which provides an incentive to private property owners to rent to very low-income families;
- To expand affordable housing opportunities in areas of low poverty concentration;
- To create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission;

- To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable federal laws and regulations so the admissions and continued occupancy are conducted without regard to race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, sexual orientation, or gender identity; and
- To promote a safe environment by denying initial assistance to applicants and continued assistance to participants who have demonstrated a history of violent criminal or drug-related activity.

C. PURPOSE OF THE PLAN

The purpose of this Administration Plan is to establish guidelines for PHA staff to follow in determining eligibility for admission and continued eligibility. These policies are governed by the requirements of the Department of Housing and Urban Development (HUD) with latitude for local policies and procedures. These policies and procedures for admissions and continued occupancy are binding upon applicants, participants, and the PHA. References to the Code of Federal Regulations (CFR) in the title of a section or paragraph are intended for reference only, and not to restrict the PHA from setting its own policies, as permitted by law.

The PHA is responsible for complying with all changes in HUD regulations pertaining to its programs. If any changes conflict with this Administration Plan, HUD regulations will take precedence.

This Administration Plan is set forth to define the PHA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to the Housing Choice Voucher Program which are not addressed in this document are governed by such federal regulations, HUD memos, notices, policies, or other applicable federal, state or local law. The PHA may opt to implement the Streamlining Administrative Regulations as set forth by PIH 2016-05.

The PHA's Commission and/or its other governing bodies will approve any significant amendment to this Administrative Plan.

A significant amendment to the Administrative Plan is defined in the PHA Annual Plan.

D. FAIR HOUSING POLICY

It is the policy of the Public 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.

The PHA shall not deny any family or individual the opportunity to apply for or receive assistance under the HCV Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, sexual orientation, or gender identity.

To affirmatively further Fair Housing, the PHA is committed to full compliance with applicable civil rights laws, the PHA will provide federal/state/local information to program participants/applicants regarding discrimination and any recourse available to them if they feel they have been discriminated against. Such information will be made available during the family briefing session and placed in briefing packets. It will include information for applicants on how to file a fair housing complaint, including the provision of the toll-free number for the Fair Housing Complaint Hotline, 1-800-669-9777 and the Federal Information Relay Service at 1-800-887-8339.

Except as otherwise provided in 24 CFR 8.21 (c)(1), 8.24(a), 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 the PHA's facilities are inaccessible to or unusable by persons with disabilities.

Housing information is displayed in locations throughout the PHA's offices in such a manner as to be easily readable from a wheelchair.

The office of the Housing Choice Voucher Program is accessible to persons with disabilities.

The PHA will provide and review information regarding fair housing rights and responsibilities during family briefing sessions.

E. REASONABLE ACCOMMODATION POLICY

See Reasonable Accommodation Chapter.

F. FAMILY OUTREACH

The PHA will publicize and disseminate information to make known the availability of housing assistance and related services for low-income families on a regular basis, when appropriate. When the PHA's wait list is opened, the PHA will publicize the availability and nature of housing assistance for low-income families in newspapers of general circulation, non-English speaking media (as necessary), social media such as Facebook, and by other suitable means.

To reach persons who do not have access to newspapers, the PHA may utilize public service announcements.

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

G. PRIVACY RIGHTS

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD and the PHA will release family information. The PHA's policy regarding release of information is in accordance with State and local laws that may restrict the release of family information.

The PHA will maintain all accommodation records in a confidential manner. Under federal privacy laws, a PHA is required to keep confidential any personal information about an applicant or tenant obtained in a confidential manner or from a confidential source.

Per HUD Guidelines at 24 CFR 5,212 (Compliance with the Privacy Act and other requirements), the PHA adheres to the following practices and procedures that are designed to safeguard the privacy of applicants and program participants:

- All applicant and participant files are stored in a secure location, which is only accessible to authorized staff;
- Files are never left unattended in common areas;
- PHA staff will not discuss family information contained in files unless it is related to the enforcement of the program;
- PHA staff will be required to disclose whether they have relatives living in PHA housing or receiving assistance from PHA housing programs.
- PHA staff will disclose information to third-party contacts with the proper release of information from the client and with the client's consent.

H. OWNER OUTREACH

The PHA encourages property owners to participate in the HCV Program.

PHA staff responds to and initiates personal contact with private property owners and managers by conducting meetings, formal and informal discussions. Printed material is offered to acquaint owners and managers with the opportunities available under the program. The PHA may also actively participate in a community-based organization(s) comprised of owners and managers of single family and multi-family rental units.

The PHA highly encourages program participation by owners of units located outside areas of poverty or minority concentration. The PHA may periodically evaluate the demographic distribution of assisted families to identify these areas. The purpose of these activities is to provide choices and improved housing opportunities to families. Voucher holders are informed of areas where they may lease units inside the PHA's jurisdiction. Families are given a list of resources to help them locate units outside areas of poverty or minority concentration. The PHA may periodically request the HUD Field Office to furnish a list of HUD-held, tax credits and HOME properties available for rent.

I. MANAGEMENT ASSESSMENT OBJECTIVES

The PHA operates its housing assistance programs with efficiency and can demonstrate to HUD auditors the PHA is using its resources in a manner that reflects its commitment to quality and service. The PHA policies and practices are consistent with the goals and objectives of the following HUD Section Eight Management Assessment Program (SEMAP) indicators:

- Selection from the Wait List
- Reasonable Rent
- Determination of Adjusted Income
- Utility Allowance Schedule
- Housing Quality Standards (HQS) Quality Control Inspections
- HQS Enforcement
- Expanding Housing Opportunities (if applicable)
- Fair Market Rent (FMR)/Exception Rent & Payment Standards
- Annual Reexaminations
- Correct Tenant Rent Calculations
- Pre-Contract HQS Inspections
- Annual HQS Inspections
- Lease-up
- Family Self-Sufficiency Enrollment
 - Percent of FSS Participants with Escrow Account Balances
- Bonus Indicator (De-concentration) (if applicable)

Quality control reviews are performed by PHA Supervisor or other qualified personnel (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

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

J. RECORDS FOR MONITORING PHA PERFORMANCE

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

The PHA acknowledges that its performance ratings are important to sustain its capacity to maintain flexibility and authority. The PHA intends to diligently manage its current program

operations and continuously make efforts to be in full compliance with HCV SEMAP. The PHA's policies and procedures of this HUD program are established so the SEMAP standards are adhered to and can be objectively reviewed by an auditor whose purpose is to evaluate performance.

K. LANGUAGE ASSISTANCE FOR LIMITED ENGLISH PROFICIENCY (LEP) PERSONS

The PHA provides individuals with Limited English Proficiency (LEP) equal access to participation in its programs at the same level as native English speakers. Specific information can be found in Language Access Plan Chapter describing outreach activities and translation of documents to assist families with limited English proficiency.

Chapter 2 ELIGIBILITY FOR ADMISSION
(24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E)

INTRODUCTION

This chapter defines both HUD and the PHA's criteria for admission and denial of admission to the program. The policy of this PHA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The PHA staff will review all information provided by the family carefully and without regard to factors other than those referenced in this chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any adverse decision made by the PHA pertaining to their eligibility.

A. FACTORS AFFECTING ADMISSION (24 CFR 982.201)

The PHA accepts applications only from families whose head or spouse/partner is at least eighteen years of age or an emancipated minor under state law.

To be eligible for participation, an applicant must meet HUD's criteria, as well as any additional criteria established by the PHA. Eligibility factors will be verified before the family is issued a voucher.

HUD Factors:

The HUD eligibility criteria are:

- An applicant must be a "family" at admission, as defined in Section B of this chapter, "Definition of Family."
- An applicant family must be within the appropriate HUD income limits.
- An applicant family must furnish Social Security numbers for all family members, with the exception of those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals, in most instances, would not be eligible for a SSN.
- An applicant family 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 the PHA may provide any financial assistance.
- An applicant family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for a serious violation of the lease within the past three years. (Except as referenced in Chapter 15, Section B of this Administration Plan).
- The applicant family must not be in debt to any federally assisted housing program. The PHA may allow the family to be a participant in the Housing Choice Voucher Program if they are in "Good Standing" regarding any current payment agreement made with

another PHA for a debt incurred. The PHA will give the family 30 days to prove that they have resolved the debt.

- The PHA will permanently deny admission to sex offenders who are subject to a lifetime registration requirement under a state sex offender registration program.

Reasons for denial of admission are addressed in the “Denial or Termination of Assistance,” Chapter 15 of this Administration Plan. These reasons for denial constitute additional admission criteria.

PHA Factors for Denial or Termination of Assistance (24 CFR 982.552):

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

- The PHA may deny admission to the applicant family if they have violated any family obligation during a previous participation in a federally assisted housing program within the three years prior to final eligibility determination. The PHA may make an exception if the family member who violated the family obligation is not a current member of the household. The PHA may request the family provide verifiable documentation of this fact.
- The PHA will deny participation in the program to applicants where the PHA determines there is reasonable cause to believe that any family member is illegally using controlled substance or engages in drug-related or other criminal activity. Mitigating circumstances will be considered in these situations.
- An applicant family will be denied admission to the program if any member of the family fails to fully complete all required documents, including but not limited to the application and HUD 92006, 9886, and 52676 forms after notification by the PHA.
- If any applicant family deliberately misrepresents any information on which eligibility or tenant rent is established, the PHA may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum).
- An applicant family may be denied if any member of the family has been convicted for any of the following reasons within the last three years:
 - 1. Drug-related criminal activity (see Criminal Screening Criteria below);
 - 2. Violent criminal activity (see Criminal Screening Criteria below);
 - 3. Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or
 - 4. Other criminal activity which may threaten the health or safety of the owner, owner representative (such as property management staff), or persons performing a contract administration function or responsibility on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor or agent).
- Any applicant who is a current or former resident must pay all debts to the PHA before a voucher may be issued. All applicants to the HCV program must be in “Good Standing.” Please see the glossary for a definition of “Good Standing”.

The PHA will ask the prospective participant (commonly referred to as “prospect”) to list all past convictions. The PHA may elect to continue to process the prospect if, during the application process, a prospect neglects to list a past conviction, if that conviction is not for:

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

All convictions that fall in the above categories will be reviewed through an individualized screening process wherein mitigating circumstances will be considered prior to proposed denial from the program.

Criminal Screening Criteria

The PHA may deny families for any felony convictions for the following charges:

- assault and battery,
- use of a firearm against a person,
- armed robbery,
- robbery offenses with no weapon involved,
- intentional homicides,
- manslaughter,
- kidnapping and abduction,
- stalking,
- arson,
- burglary,
- breaking and entering,
- fraud,
- possession of drugs, and
- weapon-related offenses.

The PHA may deny families for any felony and misdemeanor convictions for the following charges:

- domestic violence,
- sex offenses,
- the manufacture, distribution or possession to distribute drugs, and
- driving under the influence (i.e. alcohol, legal/illegal drugs, and household products (huffing)).

Admission of applicants with any current criminal charges may be delayed pending a final court decision on the charges or other disposition of the case (e.g. by plea bargain). After the final court decision, the applicant's case will be reviewed to determine whether the applicant meets all admission criteria.

All families must meet or exceed the tenant selection and suitability criteria set forth in this chapter.

The PHA will not consider any convictions that are more than three years old, provided no other criminal activity has taken place in the interim.

An applicant must be in good standing with all federal housing programs in which he or she previously participated. If a debt is owed to any federal housing programs in which the applicant has participated, he or she may be denied assistance. If participation has been terminated because of any violation of a family obligation, a family may be denied assistance. The PHA receives information about applicants' histories with other federal programs from the Enterprise Income Verification (EIV) system.

If the debt is discharged through bankruptcy, the PHA will not deny future assistance to the family based upon the discharge debt. The fact of the bankruptcy will be treated pursuant to HUD Form-52675.

If the debt is not discharged and remains unpaid, future assistance will be denied. Debt owed information will be maintained in EIV for a period of up to 10 years from the date of termination.

Reasons for denial of admission are addressed in the "Denial or termination of Assistance" in Chapter 15 of this Administration Plan. These reasons for denial constitute additional admission criteria.

B. FAMILY COMPOSITION (24 CFR 982.201)

Definition of family (at application)

All applicants must qualify as a family. A family may be a single person or a group of person. Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage, or operation of law. For occupancy standard purposes, applicants may claim a spouse/partner. See "Subsidy Standards" in Chapter 5 of this Administrative Plan.

The PHA defines a family as two or more person who intend to share residency, whose income and resources are available to meet the family's needs, and who will live together in subsidized housing. Elderly, disabled, and displaced families are defined by HUD in 24 CFR 5.403.

The term "family" also includes, but is not limited to:

- A family with or without children;
- An elderly family;
- A disabled family;
- A displaced family;
- The remaining member of a participant family;
- A single person who is not elderly, displaced, or a person with disabilities, or the remaining member of a participant family;
- Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides are a family;
- Two or more near-elderly persons living together, or one or more near-elderly person, living with one or more live-in aide.

The temporary absence of a child from the home due to placement in foster care shall be considered in determining the family composition and family size.

Head of Household

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

Spouse/Partner of Head

There may only be one spouse/partner in the household. Please see the Glossary for the definition of “spouse/partner.”

Co-Head

Is defined as, an individual in the household who is equally responsible for the lease with the head of household. A head of household may be a spouse/partner or co-head, but not both. A co-head never qualifies as a dependent.

When a prospect lists a co-head on the application, at the time of the application process, the PHA will ask the prospect to define the relationship with the co-head. If the co-head is a spouse/partner or partner, the co-head will be treated the same as a spouse/partner and will not be counted in the bedroom size. If the relationship is anything other than a spousal relationship, staff will include the co-head in the rest of the bedroom size calculation.

Student Eligibility

Students who meet any of the following shall qualify for housing assistance, provided that they meet all other eligibility requirements:

- The individual is 24 years of age or older by December 31 of the award year;
- The individual has legal dependents other than a spouse;
- The individual is a graduate or professional student;
- The individual is a veteran as defined in the Glossary;
- The individual is married;
- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence;
- He or she is otherwise individually eligible, or has parents who, individually or jointly, are eligible on the basis of income to receive assistance;
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42 United States Code [USC] 11431 et seq.), or as unaccompanied, at risk or homelessness, and self-supporting, by – (i) a local educational agency homeless liaison, designated pursuant to section 722(g)(91)(J)(ii) of the McKinney-Vento Homeless Assistance Act; (ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director, (iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or (iv) a financial aid administrator;
- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

For single-member student households, any financial assistance received in excess of amounts received for tuition and fees shall be considered income. Financial assistance does not include loan proceeds since loans are debts that must be repaid by the borrower.

In cases where the student is not considered an "independent student," (Federal Register-5969-N-01) both the student's and parents' income are considered for eligibility/recertification purposes. Once the student has been determined Final Eligible for the HCV Program and the parents are not part of the household, any financial assistance received in excess of tuition and fees shall be considered income. Financial assistance does not include loan proceeds since loans are debts that must be repaid by the borrower.

Independent status must be verified by:

- Reviewing and verifying previous address information to determine evidence of a separate household or verifying the student meets the U.S. Department of Education's definition of "independent student"
- Reviewing a student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of "independent student"; and

- Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income.

Live-in Aides (24 CFR 982.316)

A live-in aide:

- Is determined by the PHA to be essential to the care and well-being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s),
- May not be a spouse/partner or co-head,
- Must not be in a spousal relationship with any member of the household, and
- Must be at least 18 years old, unless he or she is an emancipated minor.

An existing household member may not be approved as a Live-in Aide.

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

A live-in aide is not considered to be an assisted family member and has no rights or benefits under the program:

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Non-Citizen Rule requirements.
- Live-in aides are not considered a “remaining member” of the tenant family and have no rights to the voucher. For example, if the head of household is the only other family member and he or she dies, the live-in aide will not “inherit” the voucher and will have no rights to the voucher or to other assistance from the PHA. Further, in such instance, should the live-in aide wish to remain in the assisted unit after the death of the HCV participant, he or she will become responsible for the full amount of the rent since live-in aides are not entitled to continue to receive voucher benefits under the program.

A live-in aide may only reside in the unit with the approval of the PHA. Written verification of the need for a live-in aide will be required from a reliable, health care professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly (62 years of age or over), near-elderly (50-61 years of age) or disabled. A specific live-in aide may only reside in the unit with the approval of the PHA. The live-in aide will be subject to the PHA’s normal screening criteria and the PHA may deny the live-in aide if he or she fails to meet such criteria.

After a reasonable accommodation (RA) request for a live-in aide is approved by the Reasonable Accommodation Compliance PHA staff member, the family will be sent a letter. This letter will

inform the family that they must submit a written request to add a live-in aide within 120 days of the approval letter. If the family fails to request to add the live-in aide during this 120 day time period, the request will become void. If the family still requires the accommodation of a live-in aide, they must restart the process by submitting a new RA request for a live-in aide.

If the live-in aide or his or her family members participate in drug-related or other criminal activity, the PHA will rescind the aide's right to occupy the unit. The aide will not be entitled to the PHA's grievance hearing process since he or she is not a HCV program participant.

An individual approved as a live-in aide may not receive a subsidy from any PHA while residing with another HCV Program participant as a live-in aide. If an applicant is issued a voucher and is a live-in aide in another HCV participant's household, the live-in aide must be removed from the participant's household prior to the execution of a Housing Assistance Payment (HAP) contract.

A person who owes a debt to any PHA may not be approved as a live-in aide.

A live-in aide has no residual rights to the voucher in the event the head of household or other adult family members cease to participate in the program (e.g. if the participant family is terminated from the program).

Split Households Prior to Voucher Issuance

When a family on the wait list splits into two otherwise eligible families due to divorce or legal separation and both families claim the same placement on the wait list, if there is no court determination with regard to custody of minor children or other issues around family composition (e.g. conservatorship of an aged and/or disabled adult household member), the PHA will decide which family will receive the voucher by taking into consideration:

- Which family member applied as head of household,
- Which family unit retains care, custody and control of any children or any disabled or elderly members, and
- Recommendations from social service agencies or qualified professionals, such as Child Protective Services (CPS) caseworkers or court investigators.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families fail to provide the documentation, they may be denied placement on the wait list for failure to supply information requested by the PHA.

Multiple Families in the Same Household

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

Joint Custody of Children

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

When each parent has a separate application on the wait list and both share equal physical (50/50) custody of the child or children, the parent whose address is listed on the child or children's school records will be allowed to claim the school-aged child as a dependent.

Applicants with Minor Children and only one Parent in the Household:

An applicant household who wishes to include a child(ren) must provide documentation proving they have legal custody of the child(ren). Documentation may include but are not limited to:

- Court-ordered letters of guardianship;
- A notice from the county welfare department verifying that the child is in the home of the applicant;
- A letter from each school-aged child's school verifying the address at which the child is registered and the name of the individual who is listed as the child's guardian;
- A notarized letter from the other parent of the child stating their custodial arrangements; or
- Other verifiable documentation that establishes the child as a member of the household.

Mitigating circumstances will be considered in these situations.

Applicants with Non-Biological Minor Children:

An applicant household who wishes to include a non-biological child(ren) must provide documentation proving they are authorized to act as a guardian to the child(ren). Documentation may include but are not limited to:

- Court-ordered letters of guardianship;
- A notice from the county welfare department verifying that the child is in the home of the applicant;
- A letter of placement from a foster care or adoption agency;
- A notarized letter from the parent of the child stating the applicant has been granted custody of the child; and a letter from each school-aged child's school verifying the address at which the child is registered and the name of the individual who is listed as the guardian; or
- Other verifiable documentation that establishes the child as a member of the household.

If the PHA receives contradictory information or documentation related to the custody of the child(ren) for either circumstance listed above, it may refuse to add the child(ren) to the household until it receives conclusive evidence of custody or guardianship. Documentation may include letters of guardianship issued by the courts or a letter from an agency known to provide verification, such as the Department of Human Assistance (DHA).

C. INCOME LIMITATIONS (24 CFR 982.201, 982.353)

To be eligible for assistance, an applicant must have an annual income at the time of admission that does not exceed the low-income limits for occupancy established by HUD.

To be income-eligible, the applicant must be a family in any of the following categories:

1. A very low-income family.
2. A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act Program within 120 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.
3. A low-income family physically displaced by rental rehabilitation activity or a low-income family displaced by any government activity.
4. A low-income, non-purchasing family residing in a HOPE 1 or HOPE 2 project.
5. A low-income, non-purchasing family residing in a project, subject to a home-ownership program under 24 CFR Part 248.173.
6. A low-income family meeting other requirements associated with targeted funding for special admissions under 24 CFR 982.201.

Families whose Annual Income exceeds the applicable income limit will be denied admission.

Portability:

For initial lease-up at admission, families who exercise portability of their vouchers must be within the applicable income limit for the jurisdiction of the receiving PHA where they want to live.

D. MANDATORY SOCIAL SECURITY NUMBERS (24 CFR 5.216, 5.218)

All applicants and persons who are later added to the household are required to disclose their social security numbers (SSN), with the exception of the following individuals:

- Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals, in most instances, would not be eligible for SSN.
- A family that consists of a single household member (including a pregnant individual) who does not have eligible immigration status is not eligible for housing assistance and cannot be housed.
- A family that consists of two or more household members and, at least, one household member with eligible immigration status, is classified as a mixed family, and is eligible for prorated assistance in accordance with 24 CFR 5.520. The PHA may not deny assistance to mixed families due to nondisclosure of a SSN by an individual who does not contend to have eligible immigration status.
- Existing program participants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid.

- Existing program participants as of January 31, 2010, who are 62 years of age or older, and had not previously disclosed a valid SSN. This exemption continues even if the individual moves to a new assisted unit.

SSN Documentation:

Acceptable evidence of the SSN consists of:

- An original SSN card issued by Social Security Administration (SSA);
- An original SSA-issued document, which contains the name and SSN of the individual; or
- An online printout from the SSA website; or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

Individuals without an assigned SSN:

Some individuals do not have an SSA-assigned SSN. Below is a listing of such individuals, which is not all-inclusive:

- Newborn children (these individuals will be issued an SSN upon SSA confirmation of a birth);
- Non-citizens lawfully present in the U.S. (these individuals will be issued a SSN upon SSA's confirmation of the individual's DHS/USCIS documentation or confirmation the individual is required by law to provide a Social Security number to receive general assistance (GA) benefits they already have qualified for;
- Non-citizens unlawfully present in the U.S. (these individuals cannot be assigned a SSN);
- The PHA will require citizens and lawfully present non-citizens who state they have not been assigned a SSN by the SSA to sign a written declaration of such as status under the penalty of perjury to the PHA. The PHA should maintain the declaration in the tenant file.
- The PHA will use the Alternate ID (ALTD ID) generator within the PIC system to generate a unique identifier for those individuals who do not have or are unable to disclose a SSN.
- Once an individual discloses a SSN, the PHA will delete the ALT ID, enter the SSN on line 3n of the form HUD-50058, and transmit the form HUD-50058 to HUD within 30 calendar days of receipt of the SSN.

Rejection of Social Security Number Documentation:

The PHA may reject documentation of the SSN provided by the applicant or participant for only the following reasons:

- The document is not an original document; or
- The original document has been altered, mutilated, or not legible; or
- The document appears to be a forged or fraudulent document (i.e. does not appear to be authentic).

The PHA will explain to the applicant or participant, the reason(s) the document is not acceptable and request the individual to obtain acceptable documentation of the SSN and submit it to the PHA within a specified time frame.

Addition of a New Household Member:

When a participant requests to add a new household member who is six years of age or under and has an assigned SSN, to the family, the participant must disclose the assigned SSN and provide the PHA with the documentation at the time of such request, or at the time of processing the interim or annual reexamination of family income and/or composition. If the family is unable to provide the required documentation of the SSN, the PHA may not add the new household member until the family provides such documentation.

When a participant requests to add a new household member who is under the age of six and who does not have an assigned SSN, the participant must disclose the assigned SSN and provide the PHA with the documentation within 90 calendar days of the child being added to the household.

If the family is unable to provide evidence of the SSN within 90 calendar days, the PHA will grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement if the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family. Examples include but are not limited to delay processing of SSN application by SSA, natural disaster, fire, death in family, etc.

The child is to be included as part of the assisted household and entitled to all the benefits of being a household member during the allotted time for the family to comply with the SSN disclosure and documentation requirements. The PHA should generate an ALT ID for the child. Upon expiration of the provided time period, if the family has not complied with SSN disclosure and documentation requirements, the PHA must terminate the assistance of the entire family.

If a minor under the age of six is added to the applicant's household within a six-month period prior to the household's date of admission to the program, the applicant may become a participant, so long as the minor child's SSN is received within 90 days of the admission to the program.

If the PHA determines, at its discretion, that the applicant family could not supply the Social Security documentation through no fault of their own, it will grant the applicant family an additional 90 days to provide documentation of the SSN for the minor child. If the family fails to supply the required documentation at the end of the given time frame (90 or 180 days), the applicant or participant family will be removed from the program and will be offered an informal review if they are still an applicant or an informal hearing if they are a participant family.

Penalties for Failure to Disclose and/or Provide Documentation of the SSN:

An applicant family must furnish SSNs for all family members, with the exception of those individuals who do not have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals, in most instances, would not be eligible for a SSN.

The following penalties apply for noncompliance with the SSN disclosure and documentation requirements:

- **Applicants:** The PHA must deny the eligibility of an applicant if s/he (including each member of the household required to disclose his/her SSN) does not disclose a SSN and/or provide documentation of such SSN, within 90 days, except for minors under the age of six as set forth above.
- **Participants:** The PHA will terminate the housing assistance of the entire household if each member of the household required to disclose his/her SSN does not disclose his/her SSN and provide the required documentation.

However, if the family is otherwise eligible for continued assistance the PHA, at its discretion, may defer the family's termination and provide the family an opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family is not in compliance with the SSN disclosure and documentation requirement, if the PHA determines:

- The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside the control of the family; and
- There is a reasonable likelihood the family will be able to disclose the SSN and provide such documentation of the SSN by the deadline.

If the family is unable to comply with the requirements by the specified deadline, the PHA must terminate the housing assistance of the entire family.

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS (24 CFR Part 5, Subpart E)

In order to receive assistance, family members must be U.S. citizens or eligible immigrants. Individuals who are neither may elect to not disclose their statuses. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

Citizenship/Eligible Immigration Requirement:

The citizenship or immigration 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 United States Citizen or eligible immigrant. Families that include eligible and ineligible individuals are referred to as "mixed" families or households. Such applicant families will be given notice that their assistance will be pro-rated and they may request a hearing if they contest this determination.

No Eligible Members

An applicant family that does not include, at least, one United States Citizen or eligible immigrant is not eligible for assistance. Such families will be denied admission and offered an opportunity for an informal hearing upon request.

Non-Citizen Students

As defined by HUD's Non-Citizen Regulations, non-citizen students are not eligible for assistance. Appeals regarding disputes of citizenship/eligible immigration status are the only type to which the applicant is entitled to a hearing like those provided for participants.

Verification of Status before Admission

The PHA will not provide assistance to any families prior to the verification of eligibility for the individual or, at least, one member of the family pursuant to this section.

F. TENANT SCREENING (24 CFR 982.307)

The PHA will not screen for family behavior or suitability for tenancy. The PHA will not be liable or responsible to the owner of a rental property or other persons for the family's behavior or the family's conduct in tenancy.

In compliance with the Violence Against Women Act (VAWA), no applicant for the HCV Program who has been a victim of domestic violence, sexual assault, dating violence, or stalking shall be denied admission to the program if they are otherwise qualified. However, applicants who fall into this category may be denied admission to the program based on other disqualifying information. (PIH Notice 2006-42). The PHA will provide all applicants and participants information about their rights under VAWA in the application.

The landlord (owner) or property management company is responsible for screening and selection of the family to occupy the owner's unit. At or before the PHA's approval of the tenancy, the PHA will inform the owner or property manager that screening and selection for tenancy is their responsibility.

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

Transitions between Subsidized Housing Programs

At the family's first eligibility appointment, when it is determined the applicant is participating in another subsidized housing program, staff will advise the family the PHA will terminate the application process if the applicant is not in good standing. See glossary for definition of "Good Standing".

Staff will continue to communicate with other subsidized housing program staff as the family proceeds through the process so only families in good standing are allowed admission to the HCV Program. The move will be coordinated between the staff of both programs so the family is not a participant of both programs at the same time.

The HCV contract will not begin until the other subsidized housing lease has been terminated and its termination confirmed.

If the applicant is associated with more than one subsidized unit, the PHA will ask the family to sign an affidavit stating the family understands they cannot be a party to two different subsidized units at the same time and they must relinquish their current unit in order to participate in the new program.

G. CHANGES IN ELIGIBILITY PRIOR TO THE EFFECTIVE DATE OF THE CONTRACT

Changes in subsidy standard and Total Tenant Payment (TTP) that occur during the period between issuance of a voucher and prior to lease-up with the approved rental unit may affect the family's eligibility or share of the rental payment. The PHA, at its discretion, may take a voucher back when a change in a family's household occurs in order to re-determine the correct voucher size. The family will be given no less than 60 days of search time with the corrected voucher size.

A review and update of the family income and overall eligibility will be completed, if necessary, when extending an applicant's voucher.

A review of the family's preference will be conducted. If a family no longer meets the preference for which the approval for eligibility was based prior to lease-up with the approved rental unit, the PHA, at its discretion, may terminate the voucher and will become ineligible. (See "Ineligible Families")

H. INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified, in writing, of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they are denied due to non-citizen status. See the "Complaints and Appeals" section in Chapter 18 for additional information about reviews and hearings.

Chapter 3 APPLYING FOR ADMISSION

(24 CFR 982.204)

INTRODUCTION

The policy of the PHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair manner. This chapter describes the policies and procedures for completing a pre-application, an application for assistance, approval and denial of placement on the wait list, and limitations regarding who may apply. The primary purpose of the intake function is to gather information about the family, but the PHA will, also, utilize this process to provide information to the family so an accurate and timely decision of eligibility can be made. Pre-applicants will be placed on the wait list in accordance with this Plan.

A. OPENING/CLOSING OF THE WAIT LIST (24 CFR 982.206, 982.54(d)(1))

When the HCV wait list is open, any family requesting placement on the wait list will be given the opportunity to complete a pre-application.

When the PHA opens the wait list, the PHA must announce the opening of the wait list. The PHA will advertise through local and non-English speaking media (when applicable).

The PHA will distribute fact sheets to local community service providers and may utilize public service announcements.

The notice will contain:

- The dates, times and the locations where families may obtain a pre-application or how to sign up online;
- The program which pre-applications will be taken; and
- A brief description of the program limitations, if any, on who may apply.

The notices will be made in an accessible format, if requested. They will provide potential pre-applicants with information that includes the PHA address and telephone number, how to submit a pre-application, information on eligibility requirements, and the availability of local preferences.

The PHA may provide information about the opening and closing of its wait list on its website www.coastalca.org.

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

the closing date or some other factor related to their disability prevents them from timely submitting the pre-application.

The wait list may remain open for specific preferences (i.e. Homeless Preference, Domestic Violence Preference) even when the wait list is closed. This information will be posted and updated at www.coastalca.org for families seeking housing assistance.

Closing the Wait List:

The PHA, at its discretion, may restrict and/or suspend pre-application intake or close the wait list in whole or in part. The PHA may open or close the list by local preference category or by bedroom size. The PHA may stop pre-applications, if there are enough pre-applications to fill anticipated openings for the next sixty months. The wait list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

The PHA will announce the closing of the wait list by posting the closing date on www.coastalca.org. When the period for accepting pre-applications is over, the PHA will not accept additional pre-applications or maintain a list of those who wish to be notified when the wait list is open as this would be an administrative burden to the PHA.

B. ADMINISTRATION OF THE WAITING LIST (24 CFR 982.204(b))

Pre-applicants may apply to the HCV Program during open wait list periods ONLY.

The application process will involve two phases:

1. The first is the pre-application for admission. This first phase is to determine placement on the wait list. Duplicate pre-applications will not be accepted. "Duplicate Pre-Application" is defined in the glossary. It will not benefit applicants to submit multiple pre-applications (i.e. this does not improve the chances of being selected).
2. The next phase is the "final determination of eligibility for admissions." The full two-part application takes place when the family or individual pre-applicant reaches the top of the wait list. At this time, the PHA will ensure that verification of all HUD and PHA eligibility factors are current and accurate.
3. Pre-applications will not require an interview. The information on the pre-application will not be verified until the pre-applicant has been selected for final eligibility determination. Final eligibility will be determined when the application process has been completed and all the information has been verified.

C. PRE-APPLICANT STATUS WHILE ON THE WAIT LIST (24 CFR 982.204)

Pre-applicants are required to inform the PHA of any changes in the family composition, income, address, or preference status within 10 business days of the change. These changes are to be submitted, in writing, via email, fax, mail, hand-delivered or drop box. Pre-applicants are also required to respond to requests from the PHA (within timeframe given) to update information on their pre-applications, or to determine their continued interest in assistance. It is important

the pre-applicants keep the PHA informed of any changes in the information submitted at the pre-application stage. Pre-applicants must notify the PHA if they move or any other circumstances that might affect their pre-application change. It is not the responsibility of the PHA to keep address or any other pre-application information current. This is the responsibility of the pre-applicant.

If the PHA receives returned mail from the Post Office, the PHA will refer to the pre-applicant emergency contact form for any updated address information prior to removing the pre-applicant from the wait list. If there is no updated address information found from this source, the pre-applicant will be removed without further notice and the envelope and letter will be maintained in accordance with PHA retention policy. If the family provides proof the return mail was due to an error of the PHA or the Postal Service, the family will be reinstated to the wait list.

All changes in income and family size that occur prior to the execution of a Housing Assistance Payment (HAP) contract will be considered.

The PHA will process pre-applications for families for wait list for which funding and vouchers are available.

D. CHANGE IN PRE-APPLICATION STATUS

If the pre-applicant head of household passes away or moves out of the household, the remaining spouse/partner or co-head may retain the household's position on the wait list. In the absence of the spouse/partner or co-head, another adult who is on the original pre-application may become the head of household. It is the responsibility of the spouse/partner, co-head, or another adult who is on the original pre-application to provide any such information to the PHA.

The PHA will consider all of the following when deciding who will retain the position on the wait list or the voucher:

- Remaining member who has custody of any dependent children.
- The composition of the new family unit, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

E. COMPLETION OF AN APPLICATION

Once a family is selected from the wait list, they are mailed an initial interview letter. They transition from a pre-applicant to an applicant once they attend the interview.

Preference claimed on the pre-application or while the family is on the wait list will be verified after the family is selected from the wait list, but prior to determining final eligibility. Therefore,

it is important the applicant families notify the PHA of any changes that would affect the preference contained in their pre-application.

The qualifications for a preference must exist at the time the preference is verified, regardless of the length of time a pre-applicant has been on the wait list. The claim of a preference is based on current status. If the family fails to meet the preference they claimed on the pre-application, their pre-application will be terminated and the family will need to reapply. The family will have a right to an informal review.

Pre-applicants will be required to complete an application at the time of the initial interview. The pre-applicant will sign and certify that all information is complete and accurate. The PHA will verify said information.

The PHA, at its discretion, and at any time, may suspend, restrict or stop application intake and processing.

Requirement to Attend Interview

The PHA utilizes the application interview to discuss the family's circumstances in greater detail, to clarify information that has been provided by the family, to sign initial documentation, and to ensure the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the applicant and verification process.

All adult family members are required to attend the interview. Exceptions may be made for good cause as defined in the glossary. Reasonable accommodations may be made upon request by or on behalf of family members with disabilities if they are unable to attend the interview as a result of their disabilities.

All adult family members are required to sign the housing application and all authorization forms.

If the pre-applicant does not respond or attend the initial interview, the PHA will submit one more initial interview letter with new date and time to pre-applicant. If the pre-applicant does not respond or attend the second initial interview appointed time, the PHA will withdraw the pre-applicant from the wait list and terminate the pre-application.

If the pre-applicant contacts the PHA within 14 business days of the missed appointment or deadline (second request) in the initial letter, the PHA may reschedule the appointment with "good cause" (as defined in the Glossary of this Administrative Plan).

If an applicant is denied due to failure to attend the interview, but responded to the initial letter, the applicant will be notified, in writing, and offered an opportunity to request an informal review (see "Complaints and Appeals", Chapter 18 of this Administrative Plan). If the family provides proof the missed interview was due to an error of the PHA, the Postal Service, good cause, or

there are other mitigating circumstances acceptable to the PHA, the family will be reinstated to the process.

Every adult household member must sign a consent form to release criminal conviction records and to allow the PHA to receive records and use them in accordance with HUD requirements.

If the PHA determines that additional information or document(s) are needed, the PHA will request the document(s) or information in writing. The family will be given 14 business days from date of letter of request to supply the information.

If the information is not supplied in this time period, the PHA will provide the family a notification of denial for assistance absent mitigating circumstances (see the “Complaints and Appeals” section in Chapter 18 of this Administrative Plan).

F. VERIFICATION (24 CFR 982.201)

Information provided by the applicant will be verified, using the verification procedures described in Chapter 7 of this Administrative Plan. Family composition, income, allowances, and deductions, assets, full-time student status, eligibility and rent-calculation factors, along with other relevant information will be verified. Verifications may not be more than sixty days old at the time of issuance of the voucher.

G. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY (24 CFR 982.201)

After the verification process is complete, the PHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the PHA, and the current eligibility criteria. If the family is determined to be eligible, the PHA will mail a notification of eligibility, scheduling a briefing for the issuance of a voucher and the family’s orientation of the HCV Program. Attendance at this briefing session is mandatory as the PHA will provide important information related to participation in the HCV Program.

H. TIME OF SELECTION

When funding is available, families will be selected from the wait list in their determined sequence, regardless of family size, subject to income targeting requirements.

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

I. CHANGE IN APPLICANT STATUS

If the applicant head of household passes away or moves out of the household, the remaining spouse/partner or co-head may retain the household’s position on the wait list. In the absence of the spouse/partner or co-head, another adult who is on the original application may become the

head of household. It is the responsibility of the spouse/partner, co-head, or another adult who is on the original pre-application to provide any such information to the PHA.

The PHA will consider all of the following when deciding who will retain the position on the wait list or the voucher:

- Remaining member who has custody of any dependent children.
- The composition of the new family unit, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Chapter 4 ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST
(24 CFR Part 5 Subpart D and 982.54(d)(1), 982.204, 982.205 and 982.206)

INTRODUCTION

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

This chapter explains the local preferences the PHA has adopted to meet local housing needs, defines the eligibility criteria for the preferences, and explains the PHA's system of applying these preferences.

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

A. WAIT LIST MANAGEMENT (24 CFR 982.204)

The PHA may not take any of the following actions because an applicant has applied for, received, or refused other housing assistance:

- Refuse to list the applicant on an open PHA wait list; or
- Deny any admission preference for which the applicant is currently qualified.

Other housing assistance means a federal, state or local housing subsidy, as determined by HUD including public housing.

B. WAIT LIST PREFERENCES (24 CFR 982.207)

The PHA uses a single wait list for admission to its HCV Program. Any significant changes in wait list preferences will be publicly noticed providing opportunities for public input. Per PIH Notice 2013-15, any time a new preference is added to an existing wait list, families already on the affected wait list will be given the opportunity to receive the benefit of the preference and move up on the wait list accordingly.

Special Admissions (24 CFR 982.203)

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

Targeted Funding (24 CFR 982.204(3))

HUD may award the PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. The PHA administers the following types of targeted funding:

50 Non-Elderly Disabled Family (NED)

If all 50 NED vouchers are not fully utilized, the next eligible applicant who meets the criteria as NED will be offered a preference prior to the preferences listed under local preference. If all 50 NED vouchers are fully utilized the applicant will be placed on the preference list in accordance to the preferences listed under local preference.

Information contained in the Wait List includes but is not limited to:

1. Applicant Name
2. Name of all other household members, as listed on pre-application
3. Social Security Number for the head of household and their family
4. Date of Birth for the head of household and their family
5. Racial or ethnic designation of the head of household and their family
6. Annual (gross) family income
7. Qualification for any local preference

A preference does not guarantee admission to the HCV Program. Preferences are used to establish the order of placement on the wait list all with date and time of pre-application. All applicants must meet the PHA's selection criteria as defined in this Administrative Plan. When the applicant is selected from the wait list for the determination of eligibility, the preference will be verified during the application review process. If the applicant or applicant family is selected based on wait list preference, they must meet the preference at the time of verification regardless of the amount of time the family has been on the wait list.

Local Preferences

Local preferences will be used as part of the method to select families from the wait list. Each preference will receive an allocation of points so the computer software can accurately determine the placement of families on the wait list. A family may ONLY select one local preference on the pre-application. If it is determined the applicant does not meet the local preference selected, the applicant may select another preference that qualifies. Local Preferences with allocated points are as follows:

- Domestic Violence (VAWA) – 20 points
- Homeless – 20 points
- Elderly – 10 points
- Disabled – 10 points
- Working – 10 points

Domestic Violence (VAWA)

This preference is available to individuals/families who meet the guidelines of VAWA per PIH Notice 2006-42. Additionally, the Domestic Violence must have occurred within one year from date of pre-application.

Homeless

This preference is available to individuals/families who meet the definition of homelessness which include but are not limited to:

- Lack a fixed, regular and adequate nighttime residence; or
- Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations (including welfare hotels, congregate shelters and transitional housing), or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings, and
- Lack the resources and support networks needed to obtain housing.

Homeless families may maintain their place on the wait list while completing a transitional housing program.

This preference includes individuals/families who have been displaced by natural disasters (includes: hurricanes, tornadoes, floods) if they resided in a federally declared disaster or emergency area and their residence became uninhabitable because of that disaster. This extends to individuals/families displaced by a house fire. This section of this preference is valid for 3 months after the effective date of the disaster declaration or house fire.

This preference includes individuals/families who currently reside in a public housing property in Carteret County and that property is being disposed of or demolished. This section of this preference is valid for 3 months after the date the property is to be vacated.

The PHA will admit 36 individuals/families per calendar year (when wait list is open and applicants are being actively pulled from the wait list) who select this preference. Once 36 individuals/families have been admitted, applicant has the option to select another preference or remain on wait list until next calendar year and next pull begins.

Elderly, Disabled and Working

Families with at least one adult who has been employed an average of at least 20 hours per week for at least 90 of the last 120 days at the time of selection from the wait list. Exceptions to these time frames may be made for applicants who have been laid off or had their hours reduced because of seasonal inactivity or under a Federal, State or Local (Carteret County) declared disaster area. Documentation of seasonal employment and the employer's intent to rehire or increase hours is required.

This preference is extended to individuals/families where all adults are currently unemployed due to temporary illness or pregnancy, but who met the employment requirements prior to their

present condition. Certification from a medical professional will be required. Preference is valid for 30 days after the date the individual is released to return to work.

This preference is automatically extended to elderly families (62 or older).

This preference is automatically extended to individuals/families who are disabled.

All Other Applicants

Any applicant who does not meet one of the above-mentioned preferences, will be placed on the wait list as a non-preference applicant. This will result in zero points allocated to the pre-application. The applicant will move to the top of the list either when there are no preference applicants on the wait list or the applicant submits a change request for a preference.

C. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATIONS (24 CFR 982.207)

If the preference verification indicates an applicant does not qualify for the preference, the applicant will be returned to the wait list without the local preference, and will be notified in writing of the determination.

If the applicant family or individuals falsifies documents or knowingly makes false or misleading statements, they will be removed from the wait list.

Changes in an applicant's circumstances while on the wait list may affect the family's eligibility for a preference. Applicants are **required** to notify the PHA, in writing, of relevant changes in their circumstances within 30 days of any such change.

D. REMOVAL FROM WAIT LIST AND PURGING (24 CFR 982.204)

The wait list will be purged each January (wait list is over 500 applicants) or once every five years (wait list is under 500 applicants for the duration) by mailing a notice to all applicants to ensure the wait list is current and accurate. The notice will request current information and confirmation of continued interest in the HCV Program. The applicant family must submit this information in writing.

If an applicant fails to respond within thirty (30) days of the date of the letter/notice, the applicant will be removed from the wait list. If the applicant family contacts the PHA within thirty days from the purge deadline to report a change in address, they will be given the opportunity to update their address and be reinstated. If an applicant family is removed from the wait list for failure to respond within the thirty day grace period, the PHA will consider mitigating circumstances before determining the family will not be reinstated. If the family provides proof the return mail was due to an error of the PHA, the Postal Service, or there are other mitigating circumstances acceptable to the PHA, the family will be reinstated.

E. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998 (QHWRA), each fiscal year the PHA will reserve 75% of its HCV Program new admissions for families whose income does not exceed 30% of the area median income (AMI). HUD refers to these families as “extremely low income families.” The PHA will admit families who are extremely low income to meet the income-targeting requirement.

The PHA’s income targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.

F. SPECIAL ADMISSIONS (24 CFR 982.54, 982.203)

If HUD awards a PHA program funding that is targeted for families living with specific attributes, the PHA will admit these families under a special admission procedure.

Special-admissions families will be admitted outside of the regular wait list process. They do not have to qualify for any preferences, and they are not required to be on the program wait list.

The PHA maintains separate records of these special admissions.

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

- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Home-Ownership Act of 1990;
- A family residing in a project covered by a project-based Section 8 HAP contractor near the end of the HAP contract term; or
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

Chapter 5 SUBSIDY STANDARDS

(24 CFR 982.54(d)(9))

INTRODUCTION

HUD guidelines require that PHAs establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS). This chapter explains the subsidy standards used to determine the voucher size (based on the family unit size) for families of different sizes and compositions. This chapter also establishes the guidelines to be applied when a family's size or composition changes or a family selects a unit size that is different from the voucher size they are awarded.

A. DETERMINING FAMILY UNIT (VOUCHER) SIZE (24 CFR 982.402)

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

All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

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

One bedroom will be assigned to the head of household and spouse/partner and one bedroom will be assigned for each additional two persons.

The subsidy standard will not be increased for additions to the family unless the addition is due to birth, adoption or court-awarded custody or the addition of a spouse/partner with (or without) minor children.

An applicant family that consists of a pregnant woman (with no other persons in her household) must be treated as a two-person family.

The family voucher size for any family consisting of a single person must be either a zero or a one-bedroom voucher.

Spousal/Partner Additions

If the household size increases due to the addition of children of a spouse or partner, the subsidy standard will be increased to accommodate minor children so long as the spouse/partner has legal custody, in accordance with this Chapter.

The family is not required to move unless the addition of the family members creates an under-housed condition, as indicated in Section C of this Chapter.

Adding Additional Members to the Household

All additions (except for additions by birth to a household member) must have the prior approval of the owner (landlord) and the PHA. Approvable additions may include:

- A spouse/partner and his or her minor children,
- A minor who had been part of the assisted household who moved out and is returning to the household,
- A PHA pre-approved live-in aide,
- Birth of children by an existing family member,
- Adoption of children,
- Long-term foster placement or court-ordered custody,
- Court granted guardianship or conservatorship,
- Adult children under 24 years of age who left only to attend school. Request must be received within 1 year of dis-enrollment or graduation.
- Adult children of the head of household or spouse who are disabled.
- The parent or grandparent of the head, spouse or co-head who is elderly or disabled, and
- Family members previously removed from the assisted household due to military deployment.

The PHA will not approve an addition to the household if the individual the family has requested to add does not have one of the relationships to the head of household or spouse/partner listed above. HCV participants must obtain prior authorization of any additions to the household. However, minors may be guests in the home pending the PHA's determination of the family's request to add the minor to the household as long as this is consistent with the lease with the owner. HCV participants must also inform the PHA when any approved household member moves out of the unit or is removed from the unit (e.g. incarcerated, removed by Child Protective Services, etc.).

Screening of Add-Ons to the Household

Criminal background screening will be conducted on every person requesting to be added to the household who is 18 years of age or older, or an emancipated minor.

Any person requesting to be added to the household who has committed any violent- or drug-related criminal activity within the last three years, or who is on formal probation or parole, may be denied.

Any person requesting to be added to the household who was previously terminated from a HUD Rental Assistance program as a result of an adverse action (e.g. termination for cause) within the last three years may be denied.

Foster Children

For Applicants: Any foster child or foster adults who are in the home at the time of initial voucher issuance, and who are determined to be in a long-term placement, will be considered family members in the determination of subsidy size. For the purpose of determining subsidy size, long-term placement is defined as six or more months.

For Participants: A family may request at any time to have foster children or foster adults. The PHA will add such members to the family composition; however, the addition will not be reflected in the subsidy calculation until the foster child(ren) or adult(s) have been verified as being in the household for six months. Before any foster child or foster adult can be added to the household, the owner of the property must agree to allow them to reside in the unit.

Child Protective Services

The PHA will work cooperatively with Child Protective Services (CPS) in promoting family reunification. IF CPS provides written documentation the child/children are expected to be reunited with their parents within six months and a reunification plan is established, the PHA will increase the bedroom size in accordance with its subsidy standard policy. The reunification plan must specify the anticipated date when the children will be reunited. The family must submit a copy of the written notice to the PHA immediately.

Once the child/children are returned to the home, the family must notify the PHA, in writing, within 30 days. Any changes that occur regarding family composition and income must be reported to the PHA>

Incoming Portability

All families exercising portability into the PHA's jurisdiction are subject to the receiving PHA's subsidy standards. The port-in family will be informed if their voucher size will change in compliance with the PHA's subsidy standard. The family may elect to cancel their transfer into the PHA's jurisdiction and all portability paperwork will be returned to the initial PHA>

If a reasonable accommodation (RA) was granted by the initial PHA to an assisted household with a disabled member, this accommodation may transfer with the family when the family moves into this PHA's jurisdiction (Carteret County). The PHA will evaluate any reasonable accommodation information from the initial PHA to see if it meets the requirements of the PHA's RA policy. If so, it will be accepted as is. If not, the family will need to submit a new RA request with the receiving PHA.

B. EXCEPTIONS TO SUBSIDY STANDARDS (24 CFR 982.402)

The PHA may grant an exception upon request as a reasonable accommodation (RA) for persons with disabilities. If an exception to the subsidy standards is needed as a reasonable

accommodation to make the program accessible to and usable by a family member with a disability, the family may complete a “Request for Reasonable Accommodation” form. The PHA may approve this request after the need is verified by a reliable health care professional, such as a doctor, social worker, or caseworker.

Reasonable Accommodation Requests for Live-In Aides or Medical Equipment:

A person with disabilities may request a RA in any format (verbally, in writing, or in person). The PHA will then provide a copy of the Request for Reasonable Accommodation form to the applicant/participant. All requests for exceptions to the subsidy standards as a reasonable accommodation for a person with disabilities must be submitted to the PHA’s Reasonable Accommodation Compliance PHA staff member. This PHA staff member will review the family’s request and the information from a reliable, health care professional, such as a doctor, social worker, or caseworker and make a decision as to whether to grant or deny the reasonable accommodation request. If necessary, this PHA staff member will also engage in the interactive process with the applicant or participant and his or her healthcare providers or other parties familiar with the individual’s disability related needs (the PHA will obtain the individual’s permission to do so if the individual has not already provided such permission).

If the reasonable accommodation request is approved and results in an increase in voucher size, the increase will be processed the later of:

- the first day of the month following the date of the decision,
- the first day of the month after the live-in aide passes the background check, or
- the voucher issuance date if a move is required.

An additional bedroom will **not** be approved for multiple caregivers who provide service to a participant(s)/applicant(s) on a rotating or part-time basis (i.e. less than 12 hours per day).

Once approved, the live-in aide must use the subsidized unit as his or her primary place of residence.

An additional bedroom will not be provided for family members of a live-in aide (e.g. the live-in aide’s children, spouse/partner, etc.).

If an additional bedroom has been approved as a RA and the PHA later determines the room is not being utilized for its intended purpose, approval of this RA may be rescinded and the voucher size may be reduced. The reduction in voucher size will take place at an annual recertification or during the move process.

If the PHA becomes aware that an approved live-in aide is not residing in the unit, the participant will be given 120 days to identify and obtain approval of a substitute live-in aide. If another live-in aide is not identified and approved within 120 days, the voucher size will be reduced to the size the family would qualify for without a live-in aide.

If the RA request is denied, the applicant or participant will be sent a letter regarding the reason for the denial. The applicant or participant may contact staff to discuss the reason for the denial and may submit a revised request for a reasonable accommodation with any additional supporting documentation or information for the Reasonable Accommodation Compliance PHA staff member to consider.

Approval of Increased Payment Standards

The PHA may approve a payment standard of not more than 120% of the Fair Market Rent (FMR) if necessary as a reasonable accommodation for a family that includes a person with disabilities.

When making such an approval, the PHA will maintain documentation the PHA performed the required rent reasonableness analysis and will also maintain documentation the unit meets the needs of the person with disabilities.

All requests for such an exception must be submitted in writing to the PHA with the reason for such request. Such requests that include the physical features necessary to provide a reasonable accommodation for an individual with disabilities will be reviewed for consideration prior to an inspection of a unit. The final approval is subject to the PHA having verified the existence of such features.

C. UNIT SIZE SELECTED (24 CFR 982.402(c))

The family may select a different sized dwelling unit than that listed on the voucher; however, this will **not** increase the amount of rental assistance the family receives (i.e. the family will not receive additional rental assistance). The Payment Standard (amount of assistance) is based on the authorized voucher or actual bedroom size, whichever is less. The utility allowance is based on the size of unit actually selected or the authorized voucher size, whichever is less.

Over-housed

If a participant's family size has decreased, resulting in a lower voucher size, the family may choose to remain in the unit. However, if they choose to remain in the unit, the subsidy standard will be lowered and the family's rent portion may be increased.

If the family chooses to move, the voucher issued will be for the correct subsidy standard. The tenant portion of rent and the current utility allowance cannot exceed 40% of the family's adjusted income. The PHA subsidy will be based on the payment standard for the number of bedrooms for which the family is eligible or the actual number of bedrooms in the unit, whichever is less.

Under-housed (24 CFR 982.403)

If a unit does not meet HQS space standards due to an increase in family size (unit too small), the PHA will issue a new voucher of the appropriate size as soon as the under-housed situation is identified. The PHA will terminate the HAP contract once an appropriate HQS approvable sized unit has been found.

The under-housed status will be determined based on the physical unit size in which the family resides and not on the voucher size.

***HQS GUIDELINES FOR UNIT SIZE SELECTED**

UNIT SIZE	MAXIMUM NUMBER IN HOUSEHOLD
0 BEDROOM	2
1 BEDROOM	4
2 BEDROOM	6
3 BEDROOM	8
4 BEDROOM	10
5 BEDROOM	12
6 BEDROOM	14

Chapter 6 FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION

(24 CFR Part 5, Subparts E and F and 24 CFR 982.515)

INTRODUCTION

An accurate calculation of annual income and adjusted income will ensure that families are not paying more or less rent than required under HUD regulations.

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

A. MINIMUM RENT

"Minimum rent" for this PHA is \$50. Minimum rent is a minimum TTP. A family whose TTP has been set at the minimum rent may receive a utility reimbursement. Families may request an exemption to this policy based on hardship and complete a PHA-approved form to request such an exemption.

Hardship Exemption

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request. This includes during the eligibility process or after lease up.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary (expected to last ninety days or less) or long-term.

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

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, it will suspend the minimum rent for the 90-day period beginning the first of the month following the date the family submits the request for a hardship exemption. HUD requires the PHA to offer a reasonable repayment agreement in such cases, on terms and conditions established by the PHA. The PHA

may also determine that circumstances have changed and the hardship is now a long-term hardship.

Participants who are approved for a minimum rent or hardship exemption will receive a mandatory income review every ninety days. The PHA may, at its discretion, run a credit report after ninety (90) days once a participant has been approved for a minimum rent or hardship exemption. The participant has the right to request an informal hearing if a minimum rent request is denied.

Long-Term Hardship

If the PHA determines the financial hardship is long-term, the PHA will exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

B. INCOME AND ALLOWANCES (24 CFR Part5)

Income includes all monetary amounts the family receives, along with any monies paid to them or on their behalf. For purposes of calculating the Total Tenant Payment (TTP), HUD defines what is to be calculated and what is to be excluded in the Code of Federal Regulations (CFR). In accordance with this definition, all income that is not specifically excluded by HUD's regulations (as set forth in the CFR) is counted.

Annual income is defined as "The gross amount of income anticipated to be received by the family during the twelve months after certification or recertification." (See 24 CFR 5.609 for additional information regarding what counts as income in determining the TTP).

All employment income will be included unless separation or termination of employment is verified.

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

HUD has five allowable deductions from annual income:

- ✓ Dependent Allowance: \$480 each for family members (other than head or spouse/partner) who are minors, and for family members who are 18 and older who are full-time students or who are persons with disabilities.
- ✓ Elderly/Persons with Disabilities Allowance: \$400 per family for families whose head or spouse/partner is 62 or over or a person with disabilities.
- ✓ Unreimbursed Allowable Medical Expenses: Deducted for all family members where the head of household or spouse is an eligible elderly/disabled family. These deductions are set forth in 24 CFR 5.611(a)(3)(i).

- ✓ Child Care Expenses: Deducted for the care of children under thirteen years of age when child care is necessary to allow an adult member to work, attend school, or actively seek employment.
- ✓ Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus expenses for persons with disabilities if needed to enable the individual or an adult family member to work. These expenses are set forth in greater detail in 24 CFR 5.611(a)(3)(ii).

C. EARNED INCOME DISALLOWANCE (EID) (24 CFR 5.617; also see Federal Register issued March 8, 2016 and PIH Notice 2016-05)

To qualify for the earned income exclusion, a family member with disabilities must be receiving assistance through the HCV Program and must meet one or more of the following conditions:

- 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;
- 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
- Annual income increases, as a result of new employment or increased earnings of a family member with disabilities, during or within six months after receiving assistance, benefits or services under any state program for TANF, provided the total amount over a six-month period is, at least, \$500.

Initial Twelve-Month Exclusion

The annual income for a qualified family member who is a person with disabilities must not be increased as a result of increases in earned income beginning on the date on which the increase occurred and continuing for a cumulative 12-month period.

If the period of increase income does not last for 12 consecutive months, the disregard period must resume at any time within the 24-month period, and must continue until the disregard has been applied for a total of 12-cumulative months (the initial 12-month full exclusion).

No earned income disregard will be applied for that family member after the 24-month period following the initial date the exclusion was applied.

Second Twelve-Month Exclusion and Phase-in

After the expiration of the initial cumulative 12-month period, the PHA must exclude, at least, 50% of any increase in income of a family member who is a person with disabilities from the annual income of a qualified family.

Maximum Two-Year Disallowance

The earned income disallowance is limited to a lifetime 24-month period 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 cumulative months of full exclusion of incremental increase, and a maximum of 12 cumulative months of phase-in exclusion during the 24-month period, starting from the date of the initial exclusion.

The definitions of “Previously Unemployed” and “Economic Self-Sufficiency Program” are available in the glossary of this Administrative Plan.

Amounts to be excluded 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 increase that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

The amount that is subject to the disallowance is the amount of incremental increase in the income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the 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.

Applicability to Child Care and Disability Assistance Expense Deductions

The amount deducted for child care and disability assistance expenses 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 child care and disability assistance expense 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 may 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 6 months after receiving TANF) for the increase in earned income,
- Amount of the increase in earned income (amount to be excluded),

- Date the increase in income is first excluded from annual income,
- Date(s) earned income ended and resumed during the initial cumulative twelve month period of exclusion (if any),
- Date the family member has received a total of 12 months of the initial exclusion,
- Date the twelve-month phase-in period began,
- Date(s) earned income ended and resumed during the second cumulative twelve month period (phase-in) of exclusion (if any),
- Ending date of the maximum twenty-four month (two year) disallowance period (twenty four months from the date of the initial earned income disallowance), and
- Date the family member has received a total of 12 months of the phase-in exclusion.

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

Interim reexaminations will not be done for income increases. The initial 12-month exclusion will still begin on the date on which the increase in earned income begins.

Inapplicability at Admission

The earned income disallowance is only applied to determine the annual income of families with a member who is a person with disabilities, who are participants in the HCV Program, and 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 Portability

When a family receiving the earned income exclusion at an initial PHA exercises portability (moves with continued voucher benefits) into the jurisdiction of the receiving PHA, the earned income exclusion will continue.

D. OCCUPANCY REQUIREMENTS

The PHA must compute all applicable income of every family member, including those who are temporarily absent. It is the family's obligation to report changes in family composition within thirty (30) days. This includes any changes in income.

Temporary Absence of Family Members

Any member of the household who is away from the unit for less than thirty days will be considered temporarily absent.

Permanent Absence of Family Members

Participants must report to the PHA in writing if any household member will be away from the home for 30 days or more for any reasons (including medical [e.g. hospitalization], educational [e.g. college], or legal [e.g. incarceration in jail or prison or commitment to a mental or behavioral health treatment center], etc.).

Any member of the household, except full-time students and minors placed in foster care, will be considered permanently absent if they are away from the unit for more than thirty (30) consecutive days in a twelve-month period, except with PHA approval.

Minors will be considered permanently absent if they are away from the household for 90 days or more, with the exception of a court-granted custodial arrangement.

If the spouse/partner is out of the residence solely for the purpose of employment, the spouse/partner will not be considered absent and his or her income will be counted. In such cases the family will be required to provide written verification the spouse/partner is away from the home for the purpose of employment, and must report any changes in the spouse/partner's income to the PHA.

Any member of the household will be considered permanently absent if s/he is incarcerated for thirty (30) or more consecutive days.

Reporting Absences to the PHA

Reporting changes in household composition is both a HUD and a PHA requirement. Failure to timely report such changes may result in termination from the HCV Program.

If a family member leaves the household, the family must report this change to the PHA, in writing, within 30 days of the change and certify whether the member is temporarily or permanently absent. The head of household may be required to provide supporting documentation the family member who has left the home has established a separate residence.

In either case, the family must promptly report any absence due to incarceration of 30 days or more to the PHA in writing.

In the event the absent family member is unwilling to cooperate in providing supporting documentation, the head of household may be required to self-certify the family member is absent.

The PHA may conduct an interim evaluation for changes, which will affect the Total Tenant Payment (TTP) in accordance with the interim policy).

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit (for information on move-out notification, please see Chapter 14 of this Administrative Plan). In cases where the family has moved out of the unit, the PHA may terminate assistance in accordance with appropriate termination procedures contained in this Administrative Plan.

A family must notify the PHA in advance, in writing, and obtain approval from the PHA of their absence from the unit if the family anticipates they will be gone for thirty (30) consecutive days or more. The PHA may not approve absences of a family from the unit for 60 consecutive days or more, except as described below.

If the entire family is absent from the assisted unit for thirty (30) or more consecutive days, without prior notification and approval by the PHA, the unit will be considered vacated/abandoned. If it is determined the unit is considered to be vacated, the PHA will immediately stop any future payments and may terminate the Housing Assistance Payment (HAP) contract and the family's participation in the HCV Program.

Absences do not negate the family's obligations (e.g. to attend appointments or return paperwork) under the HCV Program or other HUD rules and regulations.

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

- Conduct a home visit,
- Send letters to the family at the unit,
- Telephone the family,
- Interview neighbors,
- Contact emergency or third-party contacts,
- Verify whether utilities are in service,
- Check with the Post Office, or
- Obtain written or verbal verification from the property owner (landlord) the assisted family has abandoned the unit.

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

If the absence which resulted in termination of assistance was due to a person's disability, and the PHA can verify the person was unable to notify the PHA in accordance with the family's obligations, and if funding is available, the PHA may reinstate the family as a reasonable accommodation if the family makes such a request.

Absence Due to Medical Reasons or Move to a Nursing Facility

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the PHA will seek advice from a reliable qualified source knowledgeable about the family member's medical history as to the likelihood and timing of their return.

If the verification indicates the family member will permanently remain in a nursing home, the family member will be considered permanently absent. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the PHA's "Absence of Entire Family" policy.

If the verification indicates the family member will return in fewer than 180 consecutive days, the family member will not be considered permanently absent.

If the PHA verifies the family member has been away from the home for more than 180 days, the PHA will require additional confirmation from a health care professional of the anticipated return date to the home.

If a household consists of only one family member and that family member has not returned to the home within 30 days from the anticipated return date, the PHA may issue a notice of termination from the HCV Program.

If the head of household and/or spouse/partner/co-head is permanently moved to a hospital or nursing facility and there is a family member who has been part of the household for the past 12 months or has continually been a part of the household throughout the term of assistance, the voucher will be passed to the remaining member so long as he or she qualifies. In these cases, the person who has permanently moved to a care facility will be removed from the voucher. The remaining family member's voucher size eligibility will be reassessed at the next annual recertification or move with continued assistance, whichever comes first.

Absence Due to Full-Time Student Status

Full-time students who attend school away from the home will be considered part of the household (for calculating subsidy standards) if they live with the family for more than 183 days a year.

Absence Due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent and the PHA may terminate the participant's assistance according to procedure.

If the Head of Household is incarcerated, the remaining household members who are at least 18 years of age will be responsible for reporting the absence. If there are minor children in the home, refer to Caretaker for Child(ren).

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

If a member of the household is subject to a court order that restricts him/her from the home for more than 30 days, that individual will be considered permanently absent.

The PHA will determine whether the reason for incarceration is for drug-related or violent criminal activity.

If there are additional family members who would lose access to housing, mitigating circumstances will be considered when evaluating the status of the voucher.

If the reason for the absence is due to incarceration, the family member who was incarcerated may be required to undergo a new criminal background check upon his release from jail, prison, or other facility.

Absence Due to Military Service

Absence of the head of household or the spouse/partner, due to military service, will be considered a temporary absence.

Absence of other household member(s) due to enlistment in military training for up to three (3) months will be considered a temporary absence and their income will be counted toward the household income. In such cases the family will be required to provide written verification the household member is enlisted in training, the duration of the training, and the expected graduation or release-from-service date.

If a household member is absent due to military service not related to training as mentioned above, he or she will be considered permanently absent from the home. See “Permanent Absence of Family Members” above. Upon completion of a military assignment resulting in permanent absence, this family member may be added back to the household. See Chapter 5, Section A – Determining Family Unit (Voucher Size) “Adding Additional Household Members.”

Absence of Children Due to Placement in Foster Care

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

If the time period is to be longer than six consecutive months from the date of removal of the children, the voucher size will be reduced. The family will be required to provide a letter from the foster care agency to the PHA that includes the anticipated return date of the child(ren) in order to be considered for a larger voucher size.

If any children are removed from the home permanently, the voucher size will be reduced in accordance with the PHA's subsidy standards.

Caretaker for Child(ren)

If the only remaining member/s of the assisted family is/are minor(s), the PHA may allocate the voucher to a person who was not previously part of the assisted family, who has gained legal custody or guardianship of the minor(s), as long as the original minor(s) remain in the home. This person will be subject to meeting all eligibility criteria.

If legal custody or guardianship cannot be established within 90 days, or if the person who obtains custody or guardianship of the minor/s does not meet program eligibility criteria, the PHA will terminate the family's assistance.

If custody or guardianship is awarded for a limited period of time, the PHA will state in writing the transfer of the voucher is for that period time or as long as the individual will have custody or guardianship of the children.

When the PHA approves a person to reside in the unit as caretaker for the child(ren), the income of the guardian will be counted in the household income.

The guardian is eligible to receive the full benefits of the HCV assistance as long as guardianship of the children is retained.

The PHA will work with the appropriate service agencies and the landlord to provide as smooth a transition as possible in these cases.

Visitors

Any adult or minor child not included on the HUD Form 50058 who has been in the unit more than 30 consecutive days without PHA approval, or a total of thirty (30) days in a twelve (12) month period, will be considered to be living in the unit as an unauthorized occupant. If the PHA determines, based on the evidence that an individual is an unauthorized occupant, the PHA will propose termination of the household's participation in the HCV Program since prior approval was not requested for the additional member. When the PHA makes the determination that there is an unauthorized occupant/household member in the unit, the family may provide evidence the individual (who the PHA purports to be an unauthorized occupant) is a guest (who has not been in the unit for a longer period of time than the PHA's guest policy allows) and not an occupant of

the unit. The PHA may consider the following factors in determining the unauthorized occupant is residing in the assisted unit as part of the household:

- Absence of evidence of any other address (e.g. written lease or rental agreement) – statements from neighbors and/or the owner (landlord) or property manager the individual is living in the unit.
- Use of the unit address as the visitor's current residence (or mailing address) for any purpose that is not explicitly temporary.

Examples of acceptable methods of proof the visitor is not an unauthorized occupant of the assisted unit may include a combination of the following its:

- ✓ Mail to the individual at another (verifiable and current) address,
- ✓ Address of record given to any federal, state, or other public entity (e.g. DMV),
- ✓ Lease/rental agreement (verifiable) for current residence,
- ✓ Utility bills for current residence,
- ✓ Current address of record from employer, or
- ✓ Credit report history.

In the absence of such proof, the individual may be considered an unauthorized member of the household and the PHA may terminate assistance of the household since it failed to obtain prior approval from the PHA to add that individual to the household.

In a joint physical custody arrangement, if the minor is in the household 50% of the time or less, he or she will not be considered an unauthorized household member.

In a joint custody arrangement where both parents are participating in the HCV program, only one parent can claim the child for deductions and for determination of the occupancy standards.

Reporting Changes to Owner and PHA

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

The family obligations require the family to request PHA approval to add any other individual to the unit and to inform the PHA of the birth, adoption or court-awarded custody of a child. The family must submit prior written approval to the PHA of the request to add additional household members. If the family does not obtain prior written approval from the PHA, any person the family has permitted to move in will be considered an unauthorized occupant in violation of the HCV Program rules.

If any new family member is added, the family income must include any income of the new family member. The PHA will conduct a certification to determine such additional income and will make the appropriate adjustments in the housing assistance payment family unit size.

In addition, the family must obtain prior written approval from the owner (landlord) or property manager when there are changes in family composition (except with respect to children born to

members of the household or added to the household as the result of a court-ordered guardianship) and must submit a copy to the PHA. (Also see Chapter 5 – Adding Additional Members to the Household)

E. REMAINING MEMBER OF TENANT FAMILY – RETENTION OF VOUCHER

PHA-approved spouse/partner or co-head will “inherit” the voucher in the event of the death of the head of household.

If the head of household passes away and there is no spouse/partner/co-head, an approved family member may retain the voucher if he or she has been part of the assisted household for the past 12 months or has continually been a part of the household throughout the term of assistance. If there are minor children in the home, refer to the “Caretaker for Child(ren)” section above.

F. WAGES FROM EMPLOYMENT WITH THE PHA OR RESIDENT ORGANIZATION

Upon employment with the PHA or officially recognized Resident Organization, the full gross amount of employment income received by the person will be counted for the purposes of determining the subsidy amount.

The PHA will include all sources of income in the determination of tenant rent except those specifically excluded in 24 CFR 5.609 or determined to be excluded by HUD or other federal law or regulation during the effective dates of the PHA Administrative Plan.

Amounts of \$200.00 or less per month received under a Resident Services Stipend will not be counted in the determination of tenant rent.

Any income received under a Resident Trainee Program administered by the PHA will not be counted in the determination of tenant rent.

G. AVERAGING INCOME

When annual income cannot be anticipated for a full twelve (12) months, the PHA will average known sources of income that vary to compute an annual income.

If there are bonuses or overtime that an employer cannot anticipate for the next twelve (12) months, bonuses and overtime received the previous year will be used (if not used in the prior year). Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

H. MINIMUM INCOME

There is no minimum income requirement.

Families reporting zero income will be required to complete a zero income packet with supporting documentation at each interim recertification until the household ceases to report zero income. The PHA will inquire into how the family pays expenses, including personal expenses, with no income.

The PHA may conduct credit checks for all adult members of families who report zero income. Where credit reports show credit accounts open and payments current, the PHA will take action to investigate the possibility of fraud or program abuse.

I. INCOME OF PERSON PERMANENTLY MOVED TO NURSING HOME

If a family member, other than the head of household or spouse/partner/co-head, is permanently moved to a hospital or nursing home, that family member and their income will be removed from the household. The remaining family member's voucher size will be reassessed at the next annual recertification or move with continued assistance, whichever comes first.

J. REGULAR CONTRIBUTIONS AND GIFTS (24 CFR 5.609(a) (2), (b) (7), and (c) (9))

Regular and anticipated contributions and gifts are counted as income for calculation of the Total Tenant Payment (TTP). 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 sporadic contributions or gifts. Contributions or gifts received less than three times in the year will not be counted as income for calculation of the TTP.

If the family's expenses exceed its known income, the PHA will request information from the family regarding contributions and gifts to explain this discrepancy.

K. ALIMONY AND CHILD SUPPORT (24 CFR 5.609(b)(7))

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

If the amount of child support or alimony received is less than the amount granted by the court, the PHA will use the amount granted by the court unless the family can verify they are not receiving the full amount and verification of item(s) as follows:

- The PHA receives verification from the agency responsible for enforcement or collection;
- The family furnishes documentation of a 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; or
- Online printout form the Department of Child Support Services, the Department of Social Services, or the Department of Human Assistance websites.

Military Pay Income

Military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) shall be counted as income.

Veterans Participating in Compensated Work Therapy (CWT) Programs – Including Incentive Therapy (IT)

CWT is a Veterans Health Administration (VHA) treatment program that consists of two major clinical models: transitional work and supported employment. Both are integrated into treatment, and provided under medical orders of VHA physicians. CWT is not considered temporary employment program by VHA, and there are no regulations establishing a time limit on participation. Participation is based on the treatment needs of the individual Veteran, and judgment of the treatment team. Therefore, the number of hours per week/month, the length of participation, and the number of times the veteran participates in such programs varies widely among veterans.

The PHA cannot make a general determination that such income should be excluded as temporary, nonrecurring or sporadic income as it has in other cases (e.g. census workers) because in the case of CWT and IT, the factors for making such a determination are case specific, not program specific. Circumstances vary considerably depending on the situation of each veteran and local VA administrative policies, therefore PHAs should consider the specific circumstances of each veteran participating in CWT and/or IT to determine if a Veteran's earnings under these programs may qualify as temporary, nonrecurring or sporadic income in accordance with PHA policy and 24 CFR 5.609(c)(9).

L. LUMP-SUM RECEIPTS (24 CFR 5.609 (c)(3))

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

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from the Social Security Administration (SSA) for benefits SSA administers, such as Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI), 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 the amount of retroactive rent the family owes as a result of the unreported lump sum receipt, the PHA uses a method to calculate this amount retroactively.

Retroactive Calculation Methodology

The PHA will go back to the date the lump-sum payment was received, or the date of admission, whichever is most recent.

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

The amount owed “retroactively” is due and payable to the PHA.

The amount owed by the family is a collectible debt even if the family has been terminated from the HCV Program.

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 the amount paid for the attorney fees.

M. CONTRIBUTIONS TO RETIREMENT FUNDS – ASSETS (24 CFR 5.609(b)(4))

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

- While an individual is employed, only amounts the family can withdraw without retiring or terminating employment count as assets.
- After retirement or termination of employment, lump sums received count as assets.

N. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE (24 CFR 5.603(b)(3))

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

Assets disposed of due to foreclosures or bankruptcies are not considered to be assets disposed of for less than FMV. Assets disposed of due to divorces or separations are also not considered assets disposed of for less than FMV.

The PHA’s minimum threshold for counting assets disposed of for less than FMV is \$5,000. If the total value of assets disposed of within a two-year period is less than \$5,000, they will not be considered assets.

O. STUDENT LOANS (24 CFR 5.609(b)(9))

Full-Time Student Status (also see Chapter 2 – Student Eligibility):

A student must meet all program eligibility and screening criteria. Any change in Full-Time Student status must be reported to the PHA within 30 days of the change.

Student earned income applies to any household member who is a full-time student, 18 years and over, except for the head of household, spouse/partner, or co-head.

Only the first \$480 of the earned income of full-time dependent students will be counted toward family income.

A full-time student is a person who is enrolled in, at least, 12 or more units at 1 (one) or more educational, technical or vocational institution. An adult member of the household enrolled full-time in high school will, also, be considered a full-time student upon receipt of verification of continued enrollment.

Financial assistance does not include loan proceeds.

Financial assistance received in the form of grants, financial aid or awards will be counted as income unless the student is a dependent student living with his or her parent(s) on the program or if they are 24 years of age or older (by December 31) with a dependent child.

The “dependent child” is the student’s own child who is a minor, a full-time student 18 or over, or a person with disabilities 18 or over. Foster children do not qualify as dependent children.

For single-member student households, any financial assistance received in excess of amounts received for tuition and fees shall be considered income. Financial assistance counted as income does not include loan proceeds since loans are debts that must be repaid by the borrower.

In cases where the student is not considered an “independent student” (see Federal Register-5969-N-01), both the student’s and parents’ income are considered for eligibility/recertification purposes. Once the student has been determined Final Eligible for the HCV Program and the parents are not part of the household, any financial assistance received in excess of tuition and fees shall be considered income. Financial assistance counted as income does not include loan proceeds since loans are debts that must be repaid by the borrower.

Independent status must be verified by:

- Reviewing and verifying previous address information to determine evidence of a separate household or verifying the student meets U.S. Department of Education definition of “Independent student,”
- Reviewing a student’s prior year income tax returns to verify the student is independent or verifying the student meets U.S. Department of Education definition of “independent student,” and

- Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is, also, required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income.

P. CHILD CARE EXPENSES (24 CFR 5.611(a)(4))

Non-reimbursable childcare expenses for children under thirteen (13) years of age shall be deducted from annual income if they enable a family member to actively seek employment, to be employed, or to further his or her education to comply with federal law.

For disabled children thirteen (13) years of age and older refer to the section titled Allowances for Disability Assistance Expense.

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

Childcare expenses must be reasonable. “Reasonable” expenses are determined by what the average allowance expense rates are in the PHA’s jurisdiction.

Allowing deductions for childcare expenses is based on the following guidelines:

- Child care to work – The maximum childcare expense allowed must be less than the amount earned by the person enable to work. The “person enable to work” will be the adult member of the household who earns the least amount of income from working.
- Child care for school – The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).
- Amount of Expense – The PHA may survey the local child care providers in the community and use other surveys to determine what is reasonable. The PHA will use the collected data as guidance. If the hourly rate materially exceeds the guideline, the PHA may calculate the allowance using the guideline.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or is a full-time student whose earned income above \$480 is excluded, child care costs related to enabling the family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for EID makes \$10,000, but because of EID only \$3,000 is included in annual income, child care expenses are limited to \$3,000.

The PHA will require the family to provide verification of child care expenses. Such verification may include but is not limited to:

- ✓ Copies of cancelled check or money order receipts from a child care service;
- ✓ Receipts from an unlicensed child care provider that has been third-party verified by a PHA employee; or

- ✓ Receipts, letters, or a printout from a licensed agency providing child care service.

Q. UNREIMBURSED MEDICAL EXPENSES & DISABILITY ASSISTANCE EXPENSE (24 CFR 5.611(a)(3)(i))

The unreimbursed medical expense deduction is limited to families whose head, spouse/partner, co-head, or sole member is at least 62 years of age or is a person with disabilities (elderly or disable families).

To qualify for a deduction, medical expenses must meet the following essential criteria:

- Must be anticipated, regular, ongoing expenses that a family will pay in the 12 months following examination or reexamination; and
- Must be unreimbursed and not covered by an outside source such as insurance.

If a family qualifies for medical expense deductions, the medical expenses of all family members may be considered.

Medical expenses are expenses anticipated to be incurred during the 12 months following certification or reexamination which are not covered by an outside source such as insurance. The medical expense deduction is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular, ongoing, and anticipated unreimbursed medical expenses that will be incurred in the coming year.

Medical expenses may include:

- Services of doctors and health care professionals;
- Services of health care facilities;
- Medical insurance premiums;
- Prescription/over-the-counter medication prescribed by a physician;
- Transportation to treatment (public transportation fare [specifically for transportation to and from a medical appointment or treatment], mileage);
- Dental expenses, eyeglasses, hearing aids, batteries (for hearing aids and other medical equipment);
- Live-in or periodic medical assistance; and
- Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

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. Even if an expense is allowable, in order to be deductible it must be deemed an ongoing expense.

The PHA will require the family to provide verification of expenses. Verification may include but is not limited to invoices, printouts and statements from a doctor or other healthcare provider

certifying the anticipation of the medication and/or treatment costs for the next twelve months. “Recommendations” of a healthcare provider are not acceptable. Actual prescriptions from a licensed healthcare provider (usually a doctor) are an example of acceptable verification of the unreimbursed medical expense.

A tenant-signed certification of medical expenses without supporting documentation will not be accepted as proof of medical expenses.

Allowance for Disability Assistance Expense (24 CFR 5.611(a)(3)(ii))

Families are entitled to a deduction for unreimbursed expenses to cover care attendants and auxiliary apparatus expenses for a family member with disabilities to the extent these expenses are necessary to enable the family member (including the member who is a person with disabilities) 18 years of age or older to be employed.

Special Calculation for Households Eligible for Disability Assistance and Medical Expenses [HCV Guidebook 5-32]

If an elderly family or disabled family has both medical expenses and disability assistance expenses, a special calculation is required to ensure the family’s 3% share of these expenses is applied only one time. Because the allowance for disability assistance expenses is limited by the amount earned by the person enabled to work due to the attendant care or auxiliary apparatus, the disability allowance must be calculated before the medical allowance is calculated.

When the family has disability assistance expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses is computed as described above. In such an instance, the allowance for medical expenses will be equal to the family’s total medical expenses.

When a family has disability assistance expenses that are less than 3% of annual income, the family will receive no allowance for disability assistance expense. However, the allowance for medical expenses will be equal to the amount by which the sum of both disability and medical expenses exceeds 3% of annual income.

If the disability assistance expense is more than the amount earned by the person who has been enabled to work, the allowance for disability assistance will be capped at the amount earned by that individual. When the household is also eligible for a medical expense allowance, the 3% may have been exhausted in the disability assistance allowance, and the first calculation will not be applied to medical expenses.

R. PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES (24 CFR 5.520)

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.

“Mixed” families that were participants on June 19, 1995, and do not qualify for continued assistance must be offered prorated assistance. (See “Recertifications” Chapter 12). Applicants with mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of any ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation

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

S. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

See Recertifications, Chapter 12 of this Administrative Plan.

T. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS (24 CFR 982.517)

The PHA must review its schedule of utility allowance each year, and must revise its allowances for any category if there is a change of 10% or more. Due to the sewer rates being excessively higher in the Town of Beaufort, the sewer rate in the utility allowance is broken into two sections to ensure a more accurate allowance for all families within the PHA jurisdiction.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy conservative 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.

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

The PHA may not provide any allowance for non-essential utility costs – such as costs of cable or satellite television or telephone.

The PHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, cooking, water heating, water, sewer, trash collection; refrigerator (for tenant-supplied refrigerator), range (cost of tenant-supplied range); and other specified services.

An allowance for tenant-paid air conditioning will be provided in cases where the majority of housing units in the market have central air conditioning or are wired for tenant installed air conditioners.

The PHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10% or more since the most recent revision of the utility allowance schedule, the schedule will be revised to reflect the new utility 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 or the authorized voucher size, whichever is less.

Where families provide their own range and refrigerator, the PHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance.

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

If the HCV Program participant (tenant) and owner (landlord) agree to any changes in the lease, such changes must be in writing. In order to change the utility or appliance responsibility, a 60-day written notice must be submitted to the PHA and must be approved prior to taking effect. Utility responsibility changes take effect the first of the month following the 60 day notice. Once approved by the PHA, a new HAP contract must be issued.

Chapter 7 VERIFICATION
(24 CFR 5.240, 5.210, 982.516, 982.551)

INTRODUCTION

HUD regulations require the factors of eligibility and Total Tenant Payment and Family Share be verified by the PHA. PHA staff will obtain written verification from independent sources in accordance with HUD regulations and will document tenant files whenever third-party verifications are not available and why third party verification was not obtained.

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

A. METHODS OF VERIFICATION AND TIME ALLOWED

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

1. Upfront Income Verification (UIV) is income information that could be obtained through the Enterprise Income Verification (EIV) system or other system that allows a PHA direct access to verify tenant income. Verifications received by direct electronic access from the source are considered Upfront Income Verification;
2. Written Third-Party Verification, which may be a document provided by the tenant from the income provider or source;
3. Written Third-Party Verification Form, which is a written income verification request submitted by the PHA to the income provider or source to verify the income received by the participant;
4. Oral Third Party Verification, which is income verified orally by phone with the income provider or source;
5. Tenant Declaration (signed under penalty of perjury).

The PHA will allow up to fourteen (14) days for return of third-party verifications, and will allow up to fourteen (14) days to obtain other types of verifications before using the next verification method. The PHA will document the file as to the reason third-party written or oral verification was not used.

For applicants, verifications may not be more than sixty days old at the time of the initial voucher issuance.

The PHA will not delay the processing of an application or recertification beyond a reasonable and appropriate time period based solely upon a third party's failure to return the verification in a timely manner.

Upfront Income Verification

Upfront Income Verification (UIV) is the highest level of third-party verification.

The PHA uses a HUD-required Enterprise Income Verification (EIV) system to verify tenant-supplied information regarding earned income, Social Security benefits, Supplemental Security Income (SSI), and unemployment benefits. If UIV information differs from tenant-supplied information by more than \$200 per month or UIV information does not exist, the PHA must request another form of verification. EIV does not verify earned income, Social Security benefits or SSI for applicants.

- PHAs are required to use EIV to verify Social Security/SSI benefits of current participants and household members.
- PHAs will print the EIV Income Report and may use it to calculate the tenant rent. If the tenant provides a more recent third-party verification from the income source, the PHA may use the amounts on that verification to calculate the tenant rent. The PHA will use the gross benefit amount to calculate annual income from Social Security/SSI benefits. EIV will not be used to verify employment income.
- If the participant disputes the EIV-reported benefit amount, the PHA will request the tenant provide a current (dated within the last 60 calendar days) benefits verification letter, and the PHA will request third-party verification from the income source provider. If the participant is unable to conclusively dispute the validity of the information obtained through EIV and the third party source, the income will be attributed to the participant.
- Photocopies of social security checks or bank statements are **not** acceptable forms of verification for Social Security or SSI benefits because the dollar amount listed may not be the gross benefit amount.

The PHA will accept verifications delivered by the family (if they can be verified by other means) from agencies, including but not limited to:

- Social Security Administration (for SSI and other Social Security programs)
- Veterans Administration
- Department of Social Services
- NC Works (Employment Offices)
- Unemployment Insurance Appeals Board
- City or County Courts
- Pharmacy (in regard to prescription drugs)
- A local, State or Federal Court
- The Work Number
- State wage/income collection agency
- Child Support office – local or State

Third-Party Oral Verification

When third-party oral verification is used, PHA staff is required to complete a Certification of Document Viewed or Person Contacted Form, stating the name of the person with whom they spoke, the date of the conversation, and the facts provided. If provided by telephone, the PHA must originate the call.

Review of Tenant-Supplied Documents

The PHA will utilize documents generated by a third-party source provided by the family as the primary source if the documents provide complete information. All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted Form or document.

The PHA will accept the following documents from the family provide the document is such that tampering would be readily noticeable:

- Printed wage stubs: a minimum of two (2) check stubs are required
- Computer printouts from the employer
- Other documents noted in this chapter as acceptable verification

The PHA may accept faxed documents and photocopies.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy of more than \$100 a month (per income source), the PHA will utilize the third party verification.

Tenant Declaration

When verification cannot be made through any of the higher forms of verification including upfront or third party, the PHA will require the tenant to complete a written tenant declaration (Affidavit) of income and sign it under penalty of perjury.

Tenant declaration means a statement written on an Affidavit form and signed under penalty of perjury. The application or the annual recertification packet may also serve as a form of self-certification as long as all adult household members sign it. The tenant may also elect to have a self-certification notarized at his or her own expense.

The PHA does not require an applicant or participant to have documents notarized or to incur the financial expenses of doing so.

B. RELEASE OF INFORMATION (24 CFR 5.230, 982.516, and 982.551)

All adult family members will be required to sign the HUD form 9886 Release of information/Privacy Act form and the PHA's Authorization for the Release of Information.

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 requested by the PHA and to sign consent forms requested by the PHA or HUD. It is also a family obligation that all information provided is true and correct. Falsifying or omitting any requested information or otherwise providing misleading information to the PHA may result in denial of admission of the HCV Program or termination of assistance.

C. COMPUTER MATCHING

If the PHA has access to computer matching, the PHA may use computer matching with various local, state, and federal agencies.

D. ITEMS TO BE VERIFIED

The PHA will no longer require verification of fully excluded income such as Food Stamps or Foster Care (HUD PIH Notice 2013-4) unless the family is a Zero-Income Household.

The following list includes (but is not limited to) items that must be verified:

1. All sources of income not fully excluded according to PIH 3012-4.
2. Full-time student status of any and all adult students.
3. Current assets including assets of \$5,000 or more disposed of for less than fair market value in the last two years.
4. Allowable child care expenses.
5. Total allowable medical expenses of all family members in households whose head or spouse/partner is elderly or disabled.
6. 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.
7. Disability for determination of preferences, allowances or deductions.
8. U.S. Citizenship/eligible immigrant status.
9. Social security numbers for all family members, with the exception of those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals, in most instances, would not be eligible for a SSN.
10. "Preference" status.
11. Familial Status or Spouse Relationship.
12. Verification of Reduction in Benefits for Noncompliance (e.g. for Social Security/SSI benefits or welfare benefits).

13. The PHA will obtain written verification from the welfare agency stating the family's benefits have been reduced for fraud or noncompliance *before* denying a family's request for rent reduction.
14. Legal Identity verification includes the following items:
 - a. A valid State or Federally issued identification card or driver license displaying a photo of the individual, for persons at least 18 years or older.
 - b. Birth Certificates for minors.
 - c. Documents including a photo issued by the INS.
15. Family Composition.

E. VERIFICATION OF INCOME

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

Employment Income

PHA verification forms may request the employer to specify the following:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Year-to-date earnings
- Estimated income from overtime, tips, or bonus pay expected during the next 12 months

Acceptable methods of verification include, in this order:

- Check stubs or earning statements showing the employee's gross pay, frequency of pay and/or year-to-date earnings. If check stubs are provided by the tenant, a minimum of two (2) of the most current and consecutive check stubs are required.
- A formal employment letter from the employer detailing the criteria stated above.
- Employment verification form completed by the employer.
- W-2 forms and income tax return forms.
- Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be required to sign an authorization for release of information for the PHA to contact the Internal Revenue Service (IRS) for further verification of income.

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

Social Security, Pensions, Supplemental Security Income (SSI), Disability Income

Acceptable methods of verification include, in this order:

- Upfront Income Verification (UIV) from a third party such as EIV
- Tenant supplied documentation generated from a third-party source
- Online printout from the income source website
- Benefit verification form completed by the agency providing the benefits
- Tenant Declaration signed under penalty of perjury

Unemployment Compensation

Acceptable methods of verification include, in this offer:

- Upfront Income Verification (UIV)
- Two (2) of the most current and consecutive payment stubs or a letter generated from a third party source
- PHA verification form completed by the unemployment compensation agency. Computer report electronically obtained or in hard copy stating payment dates and amounts
- Tenant Declaration signed under penalty of perjury

Alimony or Child Support Payments

Acceptable methods of verification include, in this order:

- Copy of last two (2) checks and/or payment stubs for the tenant provided by the court,
- Copy of the most current court order,
- A written accounting or other statement from a local child support agency or from online State child support agency,
- Copy of a separation or marital settlement agreement or a divorce decree (court order) stating amount and type of support and payment schedules,
- PHA verification form completed by payment provider,
- Oral verification by staff from the Department of Child Support Services, and
- Tenant declaration, signed under penalty of perjury, of amount received and of the likelihood of support payments being received in the future, or statement that support payments are not being received.

If payments are irregular, the family may be asked to provide one or more of the following:

- A printout directly from the payment source showing the payments over the last twelve months,
- PHA verification form completed by parent provider,
- A welfare notice of action (NOA) showing amounts received by the welfare agency for child support, or
- A written statement from an attorney certifying that a collection or enforcement action has been filed against the parent responsible for making the payments.

Net Income from a Business

In order to verify the net income from a business, the PHA will review IRS and financial documents from the most recent year and use this information to anticipate the income for the next twelve months with all schedules (including IRS 1099s and Schedule Cs for self-employed individuals).

Some examples of financial documents a PHA may use in reviewing business income include:

- Audited or un-audited financial statements of the business
- Credit report or loan application
- Documents such as manifest, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the last six months (or lesser period if not in business for six months) to project income for the next twelve months. The family will be advised to maintain these documents in the future if they are not available.
- Tenant declaration as to net income realized from the business during previous years

Child Care Business

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

If the applicant/participant is operating a non-licensed day care operation, the PHA will require the applicant/participant complete a form for each customer including the name of person(s) whose child/children is/are being cared for, contact information including phone number and e-mail address if available, number of hours the child/children is being cared for, method of payment (check/cash), amount paid by HCV applicant/participant, and signature of person providing care.

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

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

Recurring Gifts

The family must furnish a self-certification form containing the following information:

- The name and contact information of the person who provides the gifts;
- The value of the gifts;
- The frequency (dates) of the gifts; and
- The purpose of the gifts.

Zero-Income Status

Families claiming to have no income will be required to complete a zero income packet and provide proof that prior income has ended. There will be a review of income every 90 days, and the family will be required to provide all receipts/statements as requested. Recertifications will be processed for any change in income.

At any time the PHA may run a credit report.

Full-Time Student Status

A full-time student is a person enrolled in at least 12 or more units at 1 (one) or more educational, technical, or vocational institutions. An adult member of the household enrolled full-time in high school will also be considered a full-time student upon receipt of verification of continued enrollment.

Only the first \$480 of the earned income of full-time dependent student will be counted toward family income.

F. INCOME FROM ASSETS

Savings account interest income and dividends account statements, passbooks, and/or certificates of deposit:

- Provide current asset statements
- PHA verification form to be completed by relevant financial institution, or
- Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or broker's oral verification, or
- IRS Form 1099 from the financial institution provided the PHA must adjust the information to project earnings expected for the next twelve months.

Interest Income from Mortgages or Similar Arrangements:

- Amortization schedule showing interest for the twelve months following the effective date of the certification or recertification.
- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next twelve 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.
- If the family has filed a tax return, they will be required to provide it.

Net Rental Income from Property Owned by Family:

- IRS Form 1040 with all attached Schedules (Rental Income).

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

G. VERIFICATION OF ASSETS

Family Assets

The PHA 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 assets were converted to cash).

Acceptable verification may include any of the following:

- For all assets or assets disposed of less than fair market value in the preceding two years, the family must provide the most current account statement, including all pages of account activities provided by the family or the account source. Examples include:
 - Saving passbooks, certificates of deposit, bonds, or financial statements completed by a financial institution or broker;
 - Written quotes from a stock broker or realty agent as to the net amount family would receive if they liquidated securities or real estate;
 - Real estate tax statements if the approximate current market value can be deduced from assessment;
 - Copies of closing documents showing the selling price;
 - Appraisals of personal property held as an investment.
- For closed accounts, the family must submit verification from the institution where the account was closed.
- For assets or cash held at the family's home or in safe deposit boxes, the PHA will accept the family's self-certification.

The PHA may opt to conduct a streamlined verification process for families that have net assets totaling \$5,000 or less in accordance to PIH 2016-05.

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

For all certifications and recertifications, the family must disclose whether any member has disposed of assets for less than fair market value (FMV) within the past two (2) years of the effective date of the certification or recertification. The PHA must count assets disposed of for less than FMV during the two (2) years preceding initial certification or recertification. The PHA will count the difference between the market value and the actual payment received in calculating total assets. The PHA's minimum threshold for counting assets disposed of for less than FMV is \$5,000. If the total value of assets disposed of within a two-year period is less than \$5,000, they will not be considered an asset.

If the family certifies they have disposed of assets over \$5,000 for less than fair market value, verification is required and must show:

- the date they were disposed of;
- the payment amount the family received; and
- the market value of the assets at the time of disposition.

Third-party verification will be obtained whenever the family cannot supply documentation generated from a third-party source.

Assets disposed of as a result of foreclosure or bankruptcies are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of divorces or separations are not considered to be assets disposed of for less than fair market value.

H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

Child Care Expenses

Families must provide certification as to whether any of child-care payments have been or will be paid or reimbursed by outside sources.

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

Verifications must specify the child-care provider's name, address, telephone number, social security or tax I.D. number, the names of the children cared for, the number of hours the provider cares for the child(ren), the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Acceptable forms of childcare expense verification include a Childcare Provider Verification form in addition to one or more of the following:

- Cancelled checks
- Money Order receipts
- Receipts, letters, or a printout from a licensed agency providing the childcare service
- Receipts from an unlicensed childcare provider that have been third-party verified by a PHA employee

Medical Expenses

Families whose head or co-head is elderly or disabled and eligible to claim medical expenses will be required to submit a certification as to whether any expense payments have been or will be reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- Written verification by a doctor, hospital or clinic personnel, dentist, or pharmacist certifying:
 - The anticipated medical costs to be incurred by the family and regular payments due on medical bills; and
 - The extent to which those expenses will 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 twelve months. A computer printout may be accepted.
- For attendant care, a knowledgeable professional's certification 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. The PHA may request the attendant's written confirmation of hours of care provide; amount and frequency of payments received from the family or agency; 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 twelve months.
- Copies of payment agreement or most recent invoices verifying payments made on outstanding medical bills that will continue over all or part of the next twelve months.
- Receipts or other record of medical expenses incurred within the past twelve months that can clearly show ongoing need may be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as prescribed over-the-counter drugs and regular visits to doctors or dentists, but not for one-time, non-recurring expenses from the previous year. Costs for over-the-counter medications will not be counted in determining medical expenses unless prescribed by a medical professional. "Recommendations" from a healthcare provider for over-the-counter medications or other products are not sufficient proof of medical expenses.
- The PHA will use mileage at the IRS rate or other public transportation cost for verification of the cost of transportation directly related to medical treatment.
- Cost for transportation to stores or medical facilities will not be counted in determining medical expenses unless receipts can be provided that show the participant obtained medication or treatment prescribed by the physician on the day the transportation cost is being claimed.
- Cost for medical magazines, books or medical buyer club type enrollment will not be counted in determining medical expenses unless prescribed (not "recommended" or "suggested") by a doctor.

Assistance to Persons with Disabilities

For households that include family members with disabilities, the PHA will take into consideration medical expenses that allow a family member or the person who is disabled to work. The following verification will be accepted:

- Written certification from a reliable, knowledgeable professional 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.
- The 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:

- Certification of family and attendant and/or copies of canceled checks or duplicate copies of checks the family used to make payments.
- Attendant's written certification of payment amounts received from the family, frequency of receipt, and number of hours of care provided.

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 the auxiliary apparatus is necessary for employment.

I. VERIFYING NON-FINANCIAL FACTORS

Verification of Legal Identity

In order to prevent program abuse, the PHA will require applicants/participants 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:

- Valid government-issued photo identification (I.D.) card (employment or student IDs are not acceptable)
- Birth certificate
- Naturalization papers
- U.S. military discharge (DD 214)
- U.S. Passport

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

- Copy or original birth certificate issued by a bureau of vital statistics
- Naturalization paperwork issued from U.S. Department of State
- Adoption papers
- Custody agreement
- Passport

- Valid State Identification Card or Driver's License

Familial Relationships

The following documents will be accepted for verification purposes:

- Verification of relationship
 - Birth certificates
 - Baptismal certificates
- Verification of guardianship
 - Court-ordered letters of guardianship
 - Notarized affidavit/statement from the child(ren)'s parent(s)
 - Verification from social services agency
 - School records
- Verification of Marital Status
 - Certificate of Marriage
 - Divorce Decree
 - Court Records

Verification of Permanent Absence of Family Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA may consider any of the following as verification:

- Filing of a petition for divorce, and proof of another home address.
- Filing of a petition for legal separation, and proof of another home address.
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled rent checks, driver's license, or lease or rental agreement.
- Statements from agencies, such as social services agencies, or a written statement from the owner or manager the adult family member is no longer living at that location.
- If the adult family member is incarcerated, a document from the court or correctional facility should be obtained stating how long they will be incarcerated.
- The PHA will accept a self-certification from the head of household or the spouse/partner or co-head.

Verification of Change in Family Composition

The PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, owners, neighbors, credit data, school or DMV records, IRS tax returns and other sources. The family is required to report any changes in family composition (e.g. a family member moves out) to the PHA.

Verification of Disability

The family may verify the disability of a family member through that member's receipt of Supplemental Security Income (SSI) benefits based on disability, Social Security Disability Insurance (SSDI), or by appropriate diagnostician, including but not limited to a physician, psychiatrist, licensed clinical social worker, therapist, rehabilitation specialist, or psychologist, using the HUD language as the verification formal. Receipt of a VA letter stating the Veteran receives "Services Connected Disability" will also suffice as verification of a disability. This threshold is not used for purposes of evaluating a request for a reasonable accommodation (refer to Chapter 1).

Verification of Citizenship/Eligible Immigrant Status

Ineligible family members are those who have either been determined ineligible or elect not to contest their status. To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are not U.S. citizens or ineligible immigrants 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 the Department of Homeland Security. Each family member must declare his or her status once. For minor children, the parents or guardians will declare their eligibility status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA is awaiting verification of legal status.

The PHA will not require citizens to provide documentation of citizenship.

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

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

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents, which will be copied front and back and returned to the family. The PHA verifies the status through the Department of Homeland Security SAVE system. If this primary verification fails to verify status, the PHA must request within ten (10) days the Department of Homeland Security 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/partner.

Non-citizen students on student visas are ineligible members even if they are in the country lawfully. They must provide their student visas but their status will not be verified and they will not sign a declaration. These non-citizen students 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, 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 at the time of initial application.

For family members added after other members have been verified, the verification must occur before the new family member moves into the assisted unit.

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

Extensions of Time to Provide Documents

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

Acceptable Documents of Eligible Immigration

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

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by United States Citizenship and Immigration Services (formerly INS) for issuance of replacement of any of the above documents that shows the individual's eligibility 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 for three years.

Verification of Social Security Numbers (24 CFR 5.216, 5.218 and HUD PIH Notice 2010-3)

Social Security numbers must be provided as condition of eligibility for all family members unless they are exempt (which includes those individuals who do not contend to have eligible immigration status), existing program participants who have previously disclosed their SSN and HUD has determined the SSN to be valid, and existing program participants who are 62 years of age or older, and had not previously disclosed a valid SSN. Family members must provide one of the following to verify their social security number:

1. An original or copy of SSN card issued by SSA;
2. An original SSA-issued document, which contains the name and SSN of the individual; or
3. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

If an applicant does not have a Social Security card, they will have 90 days to provide the Social Security card. No assistance will be provided until appropriate verification can be produced. If they fail to provide this documentation, the household's eligibility will be denied.

New family members will be required to provide documentation of their social security number also. This information is to be provided at the time the change in family composition is reported to the PHA.

When a participant requests to add a new household member who is under the age of six and does not have an assigned SSN, the participant must disclose the assigned SSN and provide the PHA with the documentation described above within 90 calendar days of the child being added to the household.

If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement, if the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family. Examples include but are not limited to: delayed processing of SSN application by SSA, natural disaster, fire, etc.

The child is to be included as part of the assisted household and entitled to all the benefits of being a household member during the allotted time for the family to comply with the SSN disclosure and documentation requirements. The PHA should generate an ALT ID. Upon expiration of the provided time period, if the family has not complied with the SSN disclosure and documentation requirements, the PHA must terminate the family's tenancy or assistance.

The PHA must terminate the assistance of Section 8 Program participants (the entire household) and terminate the tenancy of participants (the entire household) if s/he (including each member of the household required to disclose his/her SSN) does not disclose his/her SSN and provide the required documentation.

Chapter 8 VOUCHER ISSUANCE AND BRIEFINGS

(24 CFR 982.301, 982.302)

INTRODUCTION

The PHA's goals and objectives are designed to ensure that families selected to participate in the HCV Program are equipped with the tools necessary to locate an appropriate housing unit. Families are provided sufficient information regarding the program and how to achieve maximum benefit while complying with program rules and requirements. When eligibility has been determined, the PHA will conduct a mandatory briefing to ensure that families are provided clear information on how the program operates. The briefing will provide a broad overview of owner (landlord) and family (tenant) responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program, including the benefits of moving outside areas of poverty and minority concentration. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. FUNDING AVAILABILITY

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

The PHA may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers that are over-issued may be honored. If the PHA finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the HUD Annual contributions Contract (ACC) budget limitations over the fiscal year.

B. BRIEFING TYPES AND REQUIRED ATTENDANCE (24 CFR 982.301)

Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in small groups of less than six families. (Briefings may be conducted for larger groups if the number of eligible applicants exceeds more than six, at the same time.) Families who attend group briefings and still need individual assistance (e.g. because they do not understand the information or have additional questions) will be referred to designated staff for further assistance.

The purpose of the briefing is to explain how the HCV Program works and to explain the documents in the voucher holder's packet to families so they are fully informed about the program. This will enable families to utilize the program to their advantage, and it will prepare

them to discuss the benefits of the program with potential owners (landlords) and property managers.

The PHA will not issue a voucher to a family unless the head of household has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for another briefing. Applicants who fail to attend two scheduled briefings without prior notification and approval of the PHA may be denied admission based on failure to supply information needed for certification. The PHA will conduct individual briefings for families with disabilities at their home if such a briefing is requested by the family as a reasonable accommodation based on their disability or disabilities.

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. The family is provided with the following information and materials:

- ✓ The term of the voucher and the PHA policy for requesting extensions or suspensions of the voucher.
- ✓ A description of the method used to calculate the housing assistance payment for a family, including:
 - How the PHA determines the payment standard for a family;
 - How the PHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule;
 - How the PHA determines the maximum allowable rent for an assisted unit; and
 - Where the family may lease a unit. For a family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.
- ✓ The HUD required tenancy addendum, which must be included in the lease.
- ✓ The form the family must use is called Request for Tenancy Approval (RTA), and a description of the procedure for requesting approval for a tenancy.
- ✓ The PHA will provide a prospective owner with up to three years of tenant rental history, when available.
- ✓ The PHA Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected.
- ✓ The HUD brochure on how to select a unit and the HUD brochure “A Good Place to Live” on how to select a unit that complies with HQS.
- ✓ The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*. Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet “Fair Housing: It’s Your Right” and other information about fair housing laws and guidelines and the phone number of the local fair housing agency and the HUD enforcement office.
- ✓ Information on how to obtain a list of owners or other parties willing to lease to assisted families or help in the search of known units available for the voucher issued. The list

includes owners or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.

- ✓ If the family includes a person with disabilities, the PHA will provide a list of available accessible units known to the PHA.
- ✓ The family obligations under the program.
- ✓ The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.
- ✓ Notification of Occupancy Rights under Violence Against Women Reauthorization Act (VAWA) of 2013 (HUD-5380), which includes the “Certification of Domestic Violence, Dating Violence, or Stalking” form (HUD-5382), and the right to confidentiality and limits thereof.
- ✓ PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- ✓ Information packet with an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number for use by families who choose to move under portability.
- ✓ The family’s right as a tenant and a program participant.
- ✓ Requirements for reporting changes between annual recertifications.
- ✓ A Reasonable Accommodation form.
- ✓ The Voucher Expiration Notice which notifies the family they are no longer participants when the voucher expires.

If the family includes a person with disabilities, the PHA will ensure compliance with 24 CFR 8.6 to ensure effective communication.

Moving Briefing

A move briefing may be held for participants who will be reissued a voucher to move. This briefing includes incoming and outgoing portable participants. The PHA will perform a recertification before approving a move if the recertification is scheduled within 150 days of the request to move. Similar information as provided in the intake briefing is provided to the tenants.

Owner Briefing

Briefings for owners will be conducted as needed. The purpose of the briefing is to ensure successful owner participation in the program. The briefing will cover the responsibilities and roles of the owner, the family, and the PHA.

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

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

The PHA will analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Direct contact with owners;
- Providing information about services in various non-impacted areas;
- 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.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

The PHA will give participants a copy of HUD Form 903 to file a complaint if the participant feels he or she has been discriminated against based on their membership in a legally protected class (e.g. disability, race, sex, etc.).

E. SECURITY DEPOSIT REQUIREMENTS (24 CFR 982.313)

The owner is not required to, but may, collect security deposit from the tenant. Security deposits charged by owners must be in accordance with North Carolina Landlord and Tenant Law.

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 HCV Program participation.

F. VOUCHER ISSUANCE (24 CFR 982.302, 982.402, and 982.54(d)(2))

During the briefing session, each household will be issued a voucher authorizing the family to search for a suitable unit. The voucher is evidence the PHA has determined the family is eligible for the program and plans to subsidize the family if the family selects a unit that can be approved under program requirements. The voucher specifies the unit size for which the family is qualified and briefly describes how the program works and explains the family obligations under the program. Admission to the program occurs when the lease and contract become effective.

After the issuance of the voucher, the subsidy standard will not be increased for additions to the family except as described in Chapter 5, under the "Exceptions to Subsidy Standards" section of this Administrative Plan.

The PHA, at its discretion, may suspend, restrict, or stop voucher issuance for families in the application intake process.

Term of Voucher (24 CFR 982.303)

Vouchers may be issued for a term of 120 days. In the case of Port-Ins, the voucher may be less than 60 days as the voucher expiration date is based on the expiration date of the voucher from the initial PHA. The family must submit a RTA within this period.

Port-In vouchers will be given the regulatory 30-day extension, in addition to any time left on the initial PHA's voucher. The 30 days will start at the end of the initial PHA's voucher date or the date of the briefing, whichever is later. Additional extensions to be granted by initial PHA.

In the case of Port-Outs (if a briefing is needed) the family will be scheduled for a briefing as soon as:

- They give written notice of their intent to move to the PHA;
- The recertification has been completed;
- All outstanding debts have been paid to the PHA; and
- Any pending violations of family obligations are resolved.

The effective day of the voucher will be the date the family completes all of the above-mentioned requirements or a briefing (if needed) – whichever is later. The voucher lists the issue date and the expiration date.

Voucher Extensions

The PHA may approve a 60-day extension to the voucher term. All requests for an extension must be received in writing, prior to the expiration of the voucher. Any request received after the voucher has expired may be denied. Any additional extension requires the Housing Director's approval. The PHA will notify the family, in writing, of voucher extension approval or denial. The PHA may request of a copy of the family search record in order to grant any additional extension.

To make the program accessible to a family member who is a person with disabilities, additional extension options may be considered.

The PHA, at its discretion, may cease granting voucher extensions for an indefinite period except, if necessary, as a reasonable accommodation for individuals with disabilities.

Suspension of Search Time

The voucher term will be suspended (the clock on the family's voucher is stopped) from the date a RTA is received until the PHA approves or denies the request.

Additional time will be given to the family to choose an appropriate size unit following a reasonable accommodation decision for individuals with disabilities that affect their ability to search for and/or secure an appropriate rental unit.

Expiration of the Voucher

If the family does not turn in a RTA during the term of the voucher, including any approved suspension or extension, the voucher will expire and the family will no longer be eligible to participate in the HCV Program. The family will be able to reapply.

If the voucher expires during the term of the HAP contract and the eligible family remains in the assisted unit, they will continue to receive assistance.

The Voucher Expiration Notice is included in the briefing packet and is required to be signed by the family. There are no hearing rights associated with:

- The expiration of the voucher,
- The PHA's denial of a request to extend the term of the voucher, or
- The PHA's denial of a request to suspend the term of the voucher.

The family is eligible to find a unit and receive a subsidy until the voucher expires. Once the voucher expires, including any time associated with extensions and/or suspension, they are no longer eligible for rental assistance. They family will be able to reapply.

Assistance to Voucher Holders

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

G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS (24 CFR 982.315)

Division of family due to divorce or legal separation

When a family assisted under the HCV Program or an applicant family becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family absent a court's decision or order, the Housing Director may consider the following factors to determine which of the families will continue to be assisted:

- Which of the two new family units has custody of dependent children
- Which family member was the head of household when the voucher was initially issued (listed on the initial application)
- The composition of the new family units and which unit contains elderly or disabled members
- Whether domestic violence was involved in the breakup, separation, or divorce
- Which family members remain in the unit
- Recommendations of social service professionals

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

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

Division of family when a legal guardian is the Head-of Household

When a legal guardian has been added to the household to care for dependents and the guardian can no longer remain in the household, the PHA will consider the following factors to determine who will be the voucher holder:

- Whether any of the original dependent children have turned 18 years of age and are willing to become the new head-of-household; or
- Whether there is a new legal guardian who can be approved and added to household to care for the children.

Chapter 9 REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

(24 CFR 982.302)

INTRODUCTION

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

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of the PHA, or outside of the PHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner who is willing to enter into a Housing Assistance Program (HAP) contract with the PHA. This chapter defines the types of eligible housing, the PHA's policies that pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RTA).

A. REQUEST FOR TENANCY APPROVAL (24 CFR 982.302, 982.305(b), and 982.508)

The Request for Tenancy Approval (RTA), 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 the PHA.

The RTA must be signed by both the owner and voucher holder.

The PHA will not permit the family to submit more than one RTA at a time. When a replacement RTA is requested, the family must submit the request, in writing, indicating the reason for the request.

The PHA will review the RTA documents in determining whether the request can be approved. The request will be approved if:

- The unit is an eligible type of housing;
- The rent to owner is reasonable;
- The RTA documentation is complete;
- The security deposit is approvable in accordance with State and Local laws;
- The proposed lease complies with HUD and PHA requirements (See "Lease Review", Section C of this Chapter);
- The owner is approved, and there is no conflicts of interest (See "Owner Disapproval", Chapter 16 of this Administrative Plan); and
- At the time the PHA approves a tenancy for initial occupancy of a dwelling unit by a family with tenant-based assistance under this program, and where the gross rent of unit exceeds the applicable payment standard for the family, the family share must not exceed 40% of the family's adjusted monthly income.

Disapproval of RTA by PHA

If the PHA determines the request cannot be approved for any reason, the owner and the family will be notified in writing. When a RTA is not approved and the voucher has not expired, the PHA will furnish another RTA form to the family along with the notice of disapproval so the family can continue to search for eligible housing.

Disapproval of RTA by Owner or Participant

If a RTA is approvable but the participant or the prospective owner elects to void/disapprove the RTA, then the voiding party is responsible for providing notification to all involved parties. The PHA will, also, send a void confirmation letter to the tenant/landlord.

No suspension time will be allowed if the tenant voids a RTA after a move-in inspection has occurred or if the tenant voids a RTA more than one (1) time during a move process. Additional time will be given to the family to choose an appropriate sized unit following a reasonable accommodation decision for individuals with disabilities.

If there is no time remaining on the voucher the tenant is no longer eligible to participate in the program.

B. ELIGIBLE TYPES OF HOUSING (24 CFR 982.353)

The PHA may approve any of the following types of housing:

- All structure types can be utilized
- Manufactured homes
- Group homes
- Congregate facilities (only the shelter rent is assisted)
- Single room occupancy (SRO)
- Units owned (but not subsidized) by the PHA (following HUD-prescribed requirements)

A participant can own a rental unit and receive assistance with the space rental and other eligible expenses. A family may lease in and have an interest in a cooperative housing development. This must be reported as an asset.

The PHA may not permit a voucher holder to lease a unit receiving HUD project-based Housing Choice Voucher assistance or any duplicative rental subsidies.

Owner Interest in Unit

The owner may not reside in the assisted unit, unless:

- the family owns the mobile home and rents the pad, or
- in shared housing, or

- the client is a participant in the Homeownership Program.

A live-in aide must not have any ownership interest in the unit. If such a person becomes the owner of the unit while s/he is the live-in aide, s/he must cease to be the live-in aide for the voucher holder.

C. LEASE AND TENANCY (24 CFR 982.308)

The tenant must have legal capacity to enter into a lease under State and local law since a lease is a legally binding contract. If the owner uses a standard lease form for the rental of unassisted tenants in Carteret County, the same lease must be used for HCV Program units (with the addition of the HUD Tenancy Addendum).

The HUD-prescribed tenancy addendum, will be part of the PHA-approved lease form provided by the Owner, if any, and collectively will be the Lease between the Owner and Tenant. In the event of a conflict between the terms and conditions set out in the documents comprising the Lease, the HUD Tenancy Addendum shall supersede any conflicting provisions.

The owner must submit a copy of the lease or rental agreement to the PHA.

The lease **MUST** specify:

- ✓ The name(s) of the owner(s) and all household members;
- ✓ The address of the rental unit;
- ✓ The term of the lease;
- ✓ The amount of the monthly rent to the owner;
- ✓ The utilities and appliances to be supplied by the owner; and
- ✓ The utilities and appliances to be supplied by the family.

The HUD-prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed. The PHA may review the lease to determine if the lease complies with State and local law, and may decline to approve the tenancy if the PHA determines the lease does not comply with State or local law.

Effective September 15, 2000, the owner's lease must include the Lead-Based Warning Statement and disclosure information as required by 24 CFR 35.92(b).

Actions before Lease Term

The following must always be completed prior to beginning the initial term of the lease for a unit:

- The PHA has inspected the unit and has determined the unit satisfies Housing Quality Standards (HQS);
- The owner and the tenant have executed the lease, including the HUD-prescribed tenancy addendum;

- The tenant must be in possession of the unit and the tenant may not have more than one active HAP contract except as covered in Chapter 13, under the “Procedure for Moves” section of this Administrative Plan;
- The PHA must have approved leasing of the unit in accordance with program requirements;
- When the gross rent exceeds the applicable payment standard for the family, the PHA must determine the family share (total family contribution) will not be more than 40% of the family’s monthly adjusted income.

D. SEPARATION AGREEMENTS

Illegal Side Agreements (Side Payments or Side Rents)

Families and owners are advised that it is a violation of the terms of the HAP contract to enter into illegal side payment agreements. Illegal side payments may be described as, including but are not limited to, any payments charged by the owner and/or accepted from the tenant for rent and/or utilities in excess of the rent approved on the HAP contract or the most current Rent Adjustment Notice (RAN). For example, if the contract rent is \$700, the tenant (voucher holder) and owner (landlord) may not enter into a separate agreement, either orally or written, the tenant will pay an additional \$50 per month to the landlord. This rule is in place to protect both the PHA from providing excessive subsidies and the tenant from paying additional rent to the landlord.

The family is responsible for all matters concerning the lease that are not covered by the HAP Contract.

Separate Agreements Approved by PHA

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the PHA.

Any appliances, services or other items that are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher, garage, or covered parking space) or are permanently installed in the unit cannot be put into a separate agreement. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item. Separate agreements must not be substitute for higher rent.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by the PHA.

If agreements are entered into at a later date, they must be approved by the PHA and attached to the lease.

E. RENT LIMITATIONS (24 CFR 982.507)

The PHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market, and the rent charged by the owner for a comparable unassisted unit in the building or premises.

By accepting each monthly housing assistance payment from the PHA, the owner certifies the rent is not more than rent charged by the owner for comparable unassisted units in the building or premises. The owner is required to provide the PHA with information requested on rents charged by the owner on the premises or elsewhere.

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined and approved by the PHA.

E. DISAPPROVAL OF PROPOSED RENT (24 CFR 982.506 and 982.507)

If the proposed gross rent is not reasonable, at the family's request, the PHA will negotiate with the owner to reduce the rent to a reasonable rent.

Prior to approval of a new lease/contract, if the rent is not affordable because the family share would be more than forty (40) percent of the family's monthly adjusted income, the PHA will negotiate with the owner to reduce the rent to an affordable rent for the family.

If the rent is approved, after negotiations, with the owner, the PHA will continue processing the tenancy approval and lease.

If the owner does not agree on the rent to owner, the PHA will disapprove the RTA. (See "Disapproval of RTA", Section A, of this chapter.)

G. INFORMATION TO OWNERS (24 CFR 982.307 and 982.54(d)(7))

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

The PHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse (VAWA) or witness protection.

The PHA will inform owners that it is the responsibility of the owner to determine the suitability of prospective tenants. Owners are encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, ability to respect the rights of other residents, damage

to previous rental units, any drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others the tenant has engaged in, and compliance with other essential conditions of tenancy.

A statement of the PHA's policy on release of information to prospective owners will be included in the briefing packet, which is provided to the family. The PHA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

H. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the total family share of the rent prior to the effective date of the HAP contract, the information will be verified and the total family share will be recalculated (See Chapter 12, Section B, Interim Changes).

A HAP Contract will not be generated when the family reports a change in household income or family composition that results in a reduction of the family's voucher size or TTP prior to the generation of the HAP Contract. The family's eligibility for the nit will be re-determined based on the new voucher size. If the reduction results in the family paying more than 40% of their monthly adjusted income toward rent and utilities, the RTA will be voided. This limitation will apply even if the family has moved into the unit prior to PHA approval or a "passed" unit inspection has been completed.

The family will be responsible for any HAP overpayment due to untimely reporting of changes in household composition or income and may result in termination of HCV assistance.

I. CONTRACT EXECUTION PROCESS (24 CFR 982.305(c))

The PHA 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 is executed.

The owner must provide:

- a current residential address
- a mailing address, if different from the residential address
- a current home or cell telephone number and business telephone number, if applicable
- an employer identification number or social security number
- proof of ownership of the property, such as grant deed, certified settlement statement, or letter from title company with date recorded, new owner name and property address, tax document from Carteret County
- a copy of the management agreement, if an agent (e.g. a property manager) is acting on behalf of an owner.

The PHA will not approve a HAP Contract to any relative of the tenant who is the property owner (see Owner Disapproval, Chapter 16, of this Administrative Plan) unless the lease was effective prior to June 17, 1998. The PHA may waive this restriction as a reasonable accommodation for a family member who is a person with a disability. This means that tenants (voucher holders) may **not** rent from family members, including grandparents, parents, siblings, aunts, uncles, nieces, nephews, children, etc.

J. CHANGE IN UTILITY/APPLIANCE RESPONSIBILITY (24 CFR 982.308)

If the tenant and owner agree to any changes in the lease, such changes must be in writing. In order to change the utility or appliance responsibility a 60-day written notice must be submitted to the PHA, and must be approved prior to taking effect. Once approved, a new HAP contract must be issued. No utility/appliance responsibility changes may occur during the first year of the HAP Contract.

Tenant-based assistance shall not be continued unless the PHA has approved a new tenancy in accordance with the program requirements and has executed a new HAP Contract with the owner.

If the change in utilities results in the tenant paying for utilities that were previously the responsibility of the owner, the PHA will:

1. Complete a rent comparable study before the approval of any utility change(s).
2. Establish a contract rent based on the results of a current rent comparability study.
3. Execute a new Housing Assistance Payment (HAP) Contract based on the new utility and/or contract rent.

The owner and tenant will be required to sign the new HAP Contract before the PHA will make any payments.

Chapter 10 HOUSING QUALITY STANDARDS AND INSPECTIONS

(24 CFR 982.401)

INTRODUCTION

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based rental assistance programs. The Housing Authority requires additional housing standards, which are identified later in this chapter. Housing inspections conducted by the PHA will check for any items in violation of either set of standards. HQS inspections are required both at initial occupancy and during the term of the lease. HQS applies to the building and common areas, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

The PHA will inspect each unit under contract at least biennially. The PHA may comply with the biennial inspection requirement through reliance upon an inspection conducted for another housing assistance program. Compliance with the biennial inspection requirement may be met by reliance upon an inspection of housing assisted under the HOME Investment Partnerships (HOME) Program (under Title II of the Cranston-Gonzalez National Affordable Housing Act, 42 USC 12701) or housing financed via the Treasury Department's Low-Income Housing Tax Credit Program (LIHTC), taking into account the standards used by those programs.

The PHA will, also, perform quality control inspections on the number of units required for file sampling by Section Eight Management Assessment Program (SEMAP) annually to maintain the PHA's required standards and to assure consistency in the PHA's program. This chapter describes the PHA's procedures for performing HQS and other types of inspections, and PHA standards for the timeliness of repairs. It, also, explains the responsibilities of both the owner and family, as well as 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 PHA requirements.

A. GUIDELINES/TYPES OF INSPECTIONS (24 CFR 982.401(a), 982.405)

The PHA will make an effort to encourage owners to provide housing above HQS minimum standards. However, the PHA will not promote any additional acceptability criteria that are likely to adversely affect the health and safety of participant families, or severely restrict housing options.

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 or tenant to have the utilities turned on.

If the tenant is responsible for supplying the stove and/or the refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit passed all other HQS requirements. The family and owner must then certify at move-in the appliances are in the unit and are in working order. The PHA will not conduct a re-inspection on this basis alone.

There are five (5) types of inspections:

- ✓ Initial/Move-in: conducted prior to the initial term of the lease.
- ✓ Biennial: conducted within twenty four (24) months after the last inspection as required by SEMAP.
- ✓ Alternative Inspections: utilized to comply with biennial inspection requirement through reliance upon an inspection conducted for another housing assistance program when applicable (such as HOME, LIHTC, or HUD inspection).
- ✓ Special/Move-out: conducted, as needed, to determine if the unit meets HQS.
- ✓ Quality Control: conducted to ensure inspections performed by the PHA are accurate and complete.

B. INITIAL HQS INSPECTIONS (24 CFR 982.401(a) and 982.305(b)(2))

Timely Initial HQS Inspection

When the family submits a complete Request for Tenancy Approval (RTA), the PHA will seek to contact the landlord (or representative) to schedule an inspection appointment within fifteen (15) days. The 15 day period is suspended during any period the unit is not available for inspection or the RTA is not complete or approvable.

The PHA will make every reasonable effort to conduct the initial HQS inspection for the family and owner in a manner that is time-efficient and indicative of good customer service. The PHA may review the average time required for a family and owner to have a unit inspected from the time the RTA is submitted by the family and owner to the PHA.

The Initial Inspection will be conducted to:

- Determine whether the unit and property meet the HQS defined in this Administrative Plan.
- Document the information to be used for determination of rent-reasonableness.

If the unit fails the initial HQS inspection, the owner will be given up to thirty (30) days to complete repairs and to contact the PHA to schedule a re-inspection appointment.

The owner will be allowed a second inspection for repair work to be completed. A third inspection may be authorized only with Housing Director approval and with documentation, such as receipts and photographs showing the repair work has been completed.

If the time period given by the PHA to correct the repairs has lapsed or the maximum number of failed re-inspections has occurred, the RTA will be voided. A new voucher will be issued to the family with any eligible suspension time and the family must submit a new RTA before their voucher expiration date.

If the effective date of the lease and contract is within ninety (90) days after the unit passed HQS inspection, another inspection is not necessary as long as the owner certifies, in writing, that:

- The unit has not been occupied since the date the unit passed the HQS inspection; and
- The unit remains in the same rent-ready condition as when it passed HQS inspection.

If the date the unit passed HQS inspection is more than ninety (90) days from the effective date of the lease and contract, the unit must be re-inspected before the lease and contract may begin.

Emergency Inspection

When a family resides in a unit that becomes uninhabitable, the PHA may conduct a priority inspection of the new unit.

The PHA will execute a Housing Assistance Payment (HAP) Contract if all other required factors including rent comparability, family, and unit eligibility have been met.

The PHA will cease payment on the uninhabitable unit on the day it became uninhabitable and may begin payment at the new unit from the inspection pass date if the family is determined to be eligible.

If the biennial inspection due date is within 90 days of a scheduled special inspection, the special inspection will be categorized as biennial and all biennial procedures will be followed.

C. BIENNIAL HQS INSPECTIONS (24 CFR 982.405(a))

The PHA inspects each assisted unit biennially at least twenty-four (24) months after the last inspection as required by SEMAP.

If an additional room has been granted as a reasonable accommodation for an individual with disabilities, at the biennial inspection the PHA will verify the additional bedroom is being used as intended. If the additional bedroom is verified as not being used as intended, the voucher size may be reduced.

“Reasonable Hours to Conduct an Inspection” are defined as the hours between 7:30 am and 5:30 pm. Inspections will be conducted only on business days unless prior authorization from the Housing Director has been given.

Inspection

The family and owner are notified of the date and time of the inspection appointment by mail, email, and/or phone. If the family is unable to be present, due to a medical appointment or court appearance, the PHA will reschedule the inspection, upon written verification, of the medical appointment or court appearance. Other requests to reschedule re-inspections will only be granted if there are extenuating circumstances. Re-scheduled appointments must be

rescheduled so the inspection is completed within fourteen (14) days of the date originally scheduled for the inspection.

If the family misses two inspection appointments, the PHA will consider the family to have violated a family obligation and their assistance may be terminated.

The family must allow the PHA to inspect the unit at reasonable times and with reasonable notice as one of the family's obligations under the HCV Program. (24 CFR 982.551(d)).

The owner must correct HQS deficiencies that cause a unit to fail unless the tenant is responsible for the repairs.

For tenant-caused damages or other conditions that violate HQS, the tenant must correct the repairs within the specified timeline (See Time Standards for Repairs below). If the tenant fails to complete repairs in a timely fashion, the PHA will consider the family to have violated a family obligation and their assistance may be terminated.

Re-inspection(s)

The family and owner are provided a notice of the inspection appointment by mail, email, or phone. If the family misses two inspection appointments, the PHA will consider the family to have violated a family obligation and their assistance may be terminated. Continued Program Eligibility may, also, be jeopardized for missed inspections for which the tenant is responsible.

It is a family obligation to allow the PHA to inspect the unit to ensure it meets HQS.

Time Standards for Repairs

Emergency items must be corrected within twenty-four (24) hours of notification.

Repairs for non-emergency items must be made within thirty (30) days of the inspection fail date. An extension beyond the 30 day period may be approved by the Housing Director upon written request from the owner, with verifiable documentation. If the tenant is responsible and corrections are not made during the timeframe provided to the family, the PHA will terminate the HAP Contract when assistance is terminated. The PHA Housing Director may grant a time extension to a repair deadline in lieu of abatement in the following cases: if there is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contract for services, or if the repairs must be delayed due to climate conditions.

If the extension is related to not being able to obtain parts or contracting for services, the family must provide proof to document this hardship (including but not limited to bills/receipts from the contracted company stating the parts are back ordered, etc.). Extensions will not be provided to the tenant due to financial hardships.

Self-Certification of Repairs by Owner and Tenant

The PHA may allow owners and tenants to self-certify repair work has been completed, in lieu of the PHA completing a re-inspection. In this case, the owner and tenant will both sign a form certifying the repair items have been completed. The PHA may request proof of repairs to be attached to the form. Proof of repair consists of photos, receipts, work invoices/contracts, etc.

Alternative Inspections

The PHA may comply with the biennial inspection requirement through reliance upon inspections conducted for another housing assistance program. Compliance with the biennial inspection requirement may be met by reliance upon an inspection of housing assisted under the Home Investment Partnerships (HOME) Program (under Title II of the Cranston-Gonzalez National Affordable Housing Act, 42 USC 12701) or housing financed via the Treasury Department's Low-Income Housing Tax Credit Program (LIHTC), taking into account the standards used by those programs.

Special inspections may be scheduled between anniversary dates. The PHA will notify the family and the owner of the special inspection date and time in writing or by phone.

If, at any time, the family or owner notifies the PHA the unit does not meet HQS, the PHA may conduct an inspection. Before conducting a special inspection for a tenant or owner complain, the PHA may request verification the owner or tenant has been notified of the deficiency and has not completed repair within a reasonable time. Reasonable time for non-emergency items is thirty (30) days.

The PHA will consider complaints and any other information brought to the attention of the PHA, including information from third parties such as neighbors or public officials.

The PHA will inspect only the items which were reports, 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.

If the biennial inspection due date is within ninety (90) days of a scheduled special inspection, the special inspection will be categorized as biennial and all biennial procedures will be followed.

A move-out inspection will be performed only at the owner's request and within 48 hours of the family moving out of the unit.

D. QUALITY CONTROL INSPECTIONS (24 CFR 982.405(b))

Quality Control Inspections will be conducted by PHA staff and will be based upon the SEMAP-defined minimum file sample size.

The purpose of quality control inspections is to ensure each inspector is conducting accurate and complete inspections, and to ensure there is consistency among inspectors in the application of the HQS.

The sampling of files include recently completed inspections (within the last 3 months), a cross-section of neighborhoods, and a cross-section of inspectors.

E. CARBON MONOXIDE (CO) MONITOR/ALARM

The State of North Carolina requires CO detectors be installed in all residential units with fuel-burning appliances such as oil or gas furnaces and gas stoves or with attached garages. CO detectors may be battery operated or hard-wired in existing construction. CO detectors are required:

- At least one on every level of the unit.

It is recommended a CO detector is located outside each bedroom with the bedroom are split in the home.

F. EMERGENCY REPAIR ITEMS (24 CFR 982.404(a))

The following items are considered emergency repairs and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice from the PHA:

1. Lack of security for the unit
2. Severe structural damage (e.g. collapsed ceilings, walls, or floors)
3. Major plumbing leaks (e.g. those causing flooding or significant hazards)
4. Natural gas leak or fumes
5. Electrical problem that could result in shock or fire (e.g. exposed stripped wires)
6. Lack of running water
7. Shattered glass where someone could be injured
8. Lack of a functioning toilet in the unit
9. Lack of one working smoke detector per floor of the unit
10. Lack of functioning CO detectors as specified above
11. Lack of an alternate means of ingress and egress (entry and exit) that meets state and local requirement.
12. One or more utilities (e.g. electricity, water, sewer) are disconnected.

In those cases, where there is leaking gas or potential for fire or other threat to public safety and the responsible party cannot be reached or it is impossible for the responsible party to make the repairs, the proper authorities will be notified by the PHA.

If the emergency repair item(s) are not corrected in the time period required by the PHA, and the owner is responsible, the housing assistance payment will be abated and the HAP contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by the PA and it is an HQS breach that is a family obligation, the PHA will terminate the assistance to the family.

Smoke Detectors (24 CFR 982.401(n))

Inoperable smoke detectors are a serious health threat and are treated by the PHA as an emergency (24-hour) fail item.

If the smoke detector is not operating properly, the PHA will contact the owner by phone and request the owner to repair the smoke detector within twenty-four (24) hours. The PHA will re-inspect the unit the following business day.

If the PHA determines the family has disconnected the smoke detector (by removing batteries or other means), the family will be required to repair the smoke detector within twenty-four (24) hours and the PHA will re-inspect the unit the following business day. The PHA will also issue a warning to the tenant for HQS non-compliance.

If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for a hearing-impaired person as specified in National Fire Alarm and Signaling Code (NFPA) 72 (or successor standards).

G. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS) (24 CFR 982.404 and 982.453)

When it has been determined a unit on the program fails to meet HQS, the owner is responsible for completing the necessary repair(s) in the time period specified by the PHA. The PHA must take prompt action to enforce owner obligations. PHA remedies of such breach of HQS may include abatement of the HAP or termination of the HAP Contract.

Abatement

Should circumstances arise that warrant abatement, a notice of abatement of the housing assistance payment will be sent to the owner, and the abatement will be effective the first of the month following the specified correction period. The housing assistance payment will be abated for no more than a period of sixty (60) days, at which time the contract will be terminated if the required repairs are not made and verified by the PHA.

If re-inspection is necessary, the PHA will inspect abated units within seven (7) business days of the owner's notification the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states the tenant is not responsible for the PHA's portion of rent that is abated.

Extensions to Repair Deadlines, Delaying Abatements

The PHA Housing Director may grant a time extension to a repair deadline in lieu of abatement in the following cases:

- There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services; or
- The repairs must be delayed due to climate conditions.

The extensions will be made for a period of time not to exceed 30 days. At the end of that time, if the work is not completed, the PHA will begin the abatement.

Termination of Contract

If the owner is responsible for repairs and fails to correct all the deficiencies cited prior to the end of the abatement period, the HAP Contract will be terminated. A notice of termination will be mailed to owner and tenant (if tenant is still in the unit).

H. DETERMINATION OF RESPONSIBILITY (24 CFR 982.404)

Certain HQS deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service
- Failure to provide or maintain tenant-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear ("Normal wear and tear" is defined as items that could not be charged against the tenant's security deposit under State law or court practice)

The owner is responsible for all other HQS violations.

The owner is responsible for vermin infestation, even if caused by the family's living habits, unless the lease states the family is responsible for pest control. If such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The PHA may terminate the family's assistance on this basis.

The inspector will make a determination of owner or family responsibility during the inspection. If the family is responsible, but the owner carries out the repairs, the owner may bill the family for the cost of the repairs and this will be noted in the family's file.

I. 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, the PHA will require the family to make any repair(s) or corrections within 30 days. The family will be required to make repairs or corrections to tenant-responsible emergency violations with 24 hours. If the repair(s) or correction(s) are not made in this time period, the PHA may propose termination of the family's assistance. 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.

J. LEAD SAFE HOUSING RULE (LSHR) (24 CFR Part 35, PIH 2017-13)

When a child under six (6) is identified with an EBLL (Elevated Blood Lead Level), the owner and the PHA have specific responsibilities.

The PHA and Owner will conduct their specific responsibilities in accordance with PIH 2017-13 and deadlines noted within PIH 2017-13.

ACTIVITY	RESPONSIBLE PARTY THE PHA	RESPONSIBLE PARTY LANDLORD
Initial Notification of confirmed case to HUD	*	*
Verification, when necessary	*	
Initial notification of confirmed case to public health department, when necessary	*	**
Environmental Investigation	*	
Lead Hazard Control		*
Lead Hazard Control Enforcement	*	
Clearance after work is completed	*	**
Notification to other residents		*
Ongoing LBP Maintenance		*
Monitoring of owner's compliance with LSHP and HQS	*	

Legend ** denotes landlord responsibility. However, landlord must work in concerted effort with PHA to ensure the activity is completed.

The PHA is the designated party responsible for ensuring compliance with all the regulations.

Chapter 11 OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS
(24 CFR 982.504, 982.505, and 982.507)

INTRODUCTION

The PHA will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is the PHA's responsibility to ensure rents charged by owners are reasonable based upon unassisted comparable units in the rental market using the criteria specified in 24 CFR 982.507(b).

This chapter explains the PHA's policies 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 (24 CFR 982.507 and 982.508)

All HAP Contracts will begin the later of:

- Date the unit passes HQS inspection
- Date the family moves in
- Date the voucher is issued
- Date after the lease-end date of the previous unit

Exceptions may be granted by Housing Director approval. The family will be responsible for any rent prior to the effective date of the HAP Contract. The owner will be responsible for collecting any rent owned prior to start date. The rent to owner is limited by rent reasonableness. The PHA must demonstrate the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

Another limitation on rent to owners 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% of the family's monthly adjusted income.

During the initial term of the lease, the owner may not raise the total contract rent amount.

B. MAKING PAYMENTS TO OWNERS (24 CFR 982.451)

Once the HAP Contract is executed, the PHA begins processing payments to the owner. The PHA issues payments to landlords via direct deposit. As a requirement, all landlords must agree to Electronic Funds Transfer (EFT) as the sole method of payment. Exceptions to direct deposit requirement may be guaranteed, at the discretion of the PHA Housing Director. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made to the HAP Register for the following month. Payments are disbursed by the PHA's Financial Department to the owner each month. The PHA Housing Director or designated staff member,

will submit to owner verification of disbursement. Payments may not be picked up by owner at the PHA. Exceptions may be made with the approval of the Housing Director in cases of hardship. Payments that are not received will not be replaced until a written request has been received from the payee and a stop payment has been placed on the payment. A request for stop payment will be processed no sooner than fifteen (15) days after the payment issuance date.

Overpayments

The total amount of rent paid by the family plus the PHA housing assistance payment to the owner may not be more than the contract rent. The owner must immediately return any excess HAP to the PHA.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to the PHA," Chapter 17 of this Administrative Plan.

Late Payments to Owners

It is a local business practice in the PHA's jurisdiction, for property managers and owners to charge families a reasonable late fee for rents (per North Carolina Rental Laws) not received by the owner or property manager by the due date. Therefore, in keeping with generally accepted practices in the local housing market, the PHA must make housing assistance payments to the owner promptly and in accordance with the HAP Contract.

The PHA may pay a late fee to the owner (in accordance with North Carolina Rental Laws) for housing assistance payments that are not processed by the PHA by the tenth business day of the month if requested by the owner and due to no fault of the owner, excluding the first two calendar months of the HAP Contract term or due to unforeseen circumstances (such as Federal or State Declaration of Disaster) which would prohibit the PHA from submitting the payment in a timely fashion.

Late fees will not be paid when any portion of the housing assistance payment has been issued timely.

Proof of "Processed" date will be the date of the check on the HAP register.

The PHA will not be obligated to pay any late payment penalty if HUD determines the late payment is due to factors beyond the PHA's control, such as a delay in the receipt of program funds from HUD. The PHA will not use any program funds for the payment of late fee penalties to the owner.

Payments When Property Ownership/Management Changes:

All changes in property ownership, property management or payee must be reported to the PHA in writing.

The PHA will make monthly HAP according to the owner/payee of record that has been reported and documented, in writing, to the PHA. When the PHA receives notification of an ownership, property management or payee change, the PHA will place the vendor payments on “Hold” to prevent the HAP from going to an unauthorized party. The payments will remain on “Hold” until the PHA receives documentation of the change and the change has been completed by the PHA.

The new owner must complete a PHA “Owner/Agent/Payee” form provided by the PHA with proof of ownership which may include but is not limited to:

- A Trustees Deed of Sale
- A property Bill of Sale showing the property sale date and purchaser’s name
- Property Auction receipt showing the property sale date and purchaser’s name
- Other documentation that is commonly known to verify property ownership; and,

The owner must provide:

- A completed W-9
- A copy of the Management Agreement, where one is applicable

C. RENT REASONABLENESS DETERMINATIONS (24 CFR 982.507)

The PHA will determine and document on a case-by-case basis the approved rent is reasonable relative to rent for other comparable unassisted units on the market. This applies to all programs.

The PHA will not approve a lease until the PHA determines the initial rent to owner is a reasonable rent. The PHA must reassess rent reasonability before any increase in the rent to owner. The PHA must also reassess rent reasonability if there is a 10% decrease in the published Fair Market Rent (FMR).

The PHA must reassess rent reasonableness, if directed by HUD, and based on a need identified by the PHA’s auditing system. The PHA may elect to reassess rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the most recently determined reasonable rent assessed by the PHA.

The owner will be advised that accepting each monthly housing assistance payment s/he is certifying 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 the PHA information on rents charged by the owner for other units on the premises or elsewhere. The PHA may request information on the owner’s units elsewhere if:

- PHA has cause to believe the owner charges higher rents to program participants, or
- PHA needs to determine rent reasonableness on comparable units.

The data for other unassisted units may be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources. The market areas

for rent reasonableness include area zip codes/subdivisions/census tracts/neighborhoods within the PHA's jurisdiction.

The following items may be used for rent reasonableness determination:

- Size (number of bedrooms/square footage)
- Location
- Quality
- Amenities (bathrooms, dishwasher, air conditioning, etc.)
- Housing Services
- Age of unit
- Unit Type
- Maintenance
- Utilities

Rent Reasonableness Methodology

The PHA uses an "appraisal" method and tests the subject unit against selected units with similar characteristics. Adjustments are made for differences between the subject unit and comparable units on the market.

The PHA maintains an automated database that includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than two (2) years old.

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 the PHA's discretion, the Payment Standard amount is set by the PHA between 90% and 110% of the HUD-published FMR by bedroom size. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard periodically and annually when the FMR is published. In determining whether a change is needed, the PHA will ensure the Payment Standard is always within the range of 90% to 110% of the new FMR, unless an exception payment standard has been approved by HUD. Annual changes must be completed no later than 90 days following HUD's publication of the new amounts.

When determining the amount to be established for the payment standard, the PHA will consider:

- The success rate of families with vouchers leasing units;
- The trending of contract rent amounts in the market;
- The rent burden of participating families;
- The budget available; and
- The lease up rate.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities. However, the payment standard cannot be approved for an amount over 120% of the Fair Market Rent.

Small Area FMR

Beginning in 2018, HUD published Small Area FMRs (SAFMRs) determined by zip code as well as the metropolitan wide FMRs. All the rules that apply to the FMRs also apply to SAFMRs and any references to FMRs are intended to include SAFMRs also.

The SAFMRs will be implemented effective April 1, 2018.

Where the payment standard is decreasing due to the new SAFMRs, the PHA will hold the families harmless as long as they continue to live in the same assisted unit after April 1, 2018. That means that families who remain in place will not experience a decrease in payment standard, contingent upon funding and regulations. The PHA will keep the payment standard at the December 2017 metropolitan Fair Market Rate level until the SAFMR exceeds this amount.

Where the payment standard is increasing due to the new SAFMRs. Programs that will continue to use the metropolitan FMRs include but are not limited to:

- Continuum of Care programs (Shelter Plus Care);
- Moderate Rehabilitation; and
- Project-based vouchers (unless both the owner and the PHA agree to the change)

Insufficient Funding

If the PHA determines that it has insufficient funding with which to continue to assist families served by the program, it may consider decreasing the Payment Standard, in accordance with regulations. The PHA will consider the impact of lowering the Payment Standard on families. The PHA will consider and implement other cost-saving measures wherever feasible, including those listed in PIH 2011-28, before considering whether to lower the Payment Standard.

Financial Feasibility

Before increasing the Payment Standard, the PHA may review the budget to determine the impact projected subsidy increase would have on funding available for the program and number of families served.

The PHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current payment standards.

File Documentation

The PHA will retain a file for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

E. EXCEPTION TO PAYMENT STANDARDS

HUD may approve a payment standard amount that is higher than the basic range for a designated area. This is called an “exception area.” If the dwelling unit is located in an exception area, the PHA must use the appropriate payment standard amount established by the PHA for the exception area in accordance with regulation at 24 CFR 982.503(c).

The PHA may approve a payment standard of more than 110% of the FMR if required as a reasonable accommodation for a family that includes a person with disabilities. For information on this, please refer to Chapter 5 Subsidy Standards, Section B of this Administrative Plan, under “Approval of Increased Payment Standards.”

F. OWNER PAYMENT (24 CFR 982.308(g))

The owner is required to notify the family and PHA, in writing, at least sixty (60) days before any change in the amount of proposed contract rent. Any requested change in rent to owner will be subject to rent reasonableness requirements and available PHA funding.

Contract Rent Increases

Requests for rent increases will not be approved if the:

- unit is in an initial lease term.
- the family and PHA have not received proper notice.
- unit is in a failed condition.
- requested rent amount is not rent reasonable per HUD guidelines.
- RTA supplemental form is missing.

If approved, any increase will be effective on the first of the month following the 60-day notice. Upon approval of a rental increase, the new contract rent amount will remain effective for a period of 12 months. Owners may request rent increases no more than once every 12 months.

If the PHA determines in the course of processing a rent increase that the current contract rent amount is not reasonable given market conditions, the PHA will process a rent decrease to the “reasonable” amount.

Chapter 12 RECERTIFICATIONS

(24 CFR 982.516)

INTRODUCTION

In accordance with HUD requirements, the PHA 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. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. Between regular annual recertifications, HUD requires that families report all changes in household composition, but the PHA decides what other changes must be reported and the procedures for reporting them. This chapter defines the PHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

NOTE: the terms "*annual recertification*" and "*annual reexamination*" are synonymous.

A. ANNUAL RECERTIFICATIONS (24 CFR 982.516)

The PHA will recertify each family's continued eligibility at least annually.

The PHA may opt to conduct a streamlined reexamination of income for the Elderly families and Disabled families when 100% of the families' income consists of fixed income every three years. In a streamlined reexamination, the PHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount (HUD PIH Notice 2016-05).

Recertification Notice to the Family

The PHA will maintain a recertification tracking system (in SACS) and the household will be notified by mail at least 90 days in advance of the anniversary date; however, documents will be due prior to the anniversary date. The PHA may require that a family attend a recertification appointment. If requested as an accommodation by a person with disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities.

Completion of Annual Recertification

The PHA will have all recertifications for families completed within 12 months of the last annual recertification. This includes notifying the family of any increases in tenant rent at least 30 days before the effective date of change.

Failure to Respond to Notification to Recertify

The written notification must state the due date the completed recertification must be submitted. The family may call to request an extended due date in case of emergency (as defined in the Glossary).

If the family does not respond by the due date of the first written request, the family will be mailed a Final Notice with an annual recertification packet scheduling a Mandatory Tenant Conference (MTC) appointment to complete the recertification process. If the family fails to submit a completed recertification packet at the MTC appointment or fails to attend the MTC appointment, the family will be mailed a Notice of Termination.

If the annual recertification is completed and the Notice of Termination is rescinded, a Warning Notice will be issued.

If the family violates the same family obligation after a warning has been issued, the PHA will terminate assistance (see Chapter 15).

Exceptions to these policies may be reviewed and approved by the Housing Director.

Streamlined Annual Recertification for Fixed Income (24 CFR 960.257, 982.516, NOTIC PIH 2016-05 (HA))

The PHA has the discretion to adopt a streamlined income determination for any family member with a fixed source of income. The term “fixed-income” includes income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments with ongoing fixed amounts received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Verification of Information

All information affecting the family’s continued eligibility for the program and the family’s Total Tenant Payment (TTP) will be verified in accordance with the verification procedures according to HUD guidelines. Verifications used for recertification must be dated within 60 days from the PHA request date.

When the information has been verified, it will be analyzed to determine:

- The continued eligibility of the participant as a family or as the remaining member of a family;
- The unit size required by the family; and

- The amount of rent the family should pay.

Tenant Rent Portion Increases at Annual Recertification

If the tenant rent portion increases, a notice of the change will be mailed to the family at least 30 days prior to the effective date of change.

If less than 30 days are remaining before the scheduled effective date of the annual recertification, the tenant rent portion increase will be effective on the first of the month following a full 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 recertification processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

Tenant Rent Portion Decreases at Annual Recertification

If the family causes a delay so the processing of the recertification is not complete by the anniversary date, the tenant rent change will be effective on the first day of the month following completion of the recertification processing by the PHA.

If the participant reports a decrease in income prior to the effective date of the annual recertification, this information may be taken into consideration while processing the recertification.

B. REPORTING INTERIM CHANGES (24 CFR 982.516)

Changes in Family Composition

Program participants **MUST** report all changes in household composition to the PHA in writing within thirty (30) days of the change. This includes additions due to birth, adoption or court-awarded custody of a child or children, or the addition of a spouse/partner with(out) minor children. The family must obtain PHA approval before any additions are made to the household. Landlord authorization is also required with the exception of additions of newborn children.

If any new family member is added, the family income must include any income of the new family member. The PHA will conduct a certification to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required prior to moving into the unit. Additions of adult family members (18 years or older) will be subject to criminal background checks prior to moving into the unit.

Increases in Income

Program participants must report all changes in household income in writing within thirty (30) days of the change. The PHA will conduct interim recertifications for any income increases for families who:

- Are Family Self-Sufficiency Program participants or;
- Are Homeownership Program participants or;
- Have zero income or;
- Have an Earned Income Disallowance (EID) at the end of the 24-month period or;
- Have a repayment agreement for a debt owed to the PHA or;
- Failed to report a change timely or;
- Request by the participant in writing to have the increase processed.

The PHA will not process an interim rent adjustment if all reported changes result in an overall income increase, unless requested in writing by the participant. If an increase in income is due to an addition to the household, the PHA will process a rent adjustment to include the income of the household addition.

If multiple changes of increase and decrease of income are reported by the family within a 60-day period, an annual recertification may be processed.

Full-Time Student Status:

Any change in Full-Time Student status must be reported within thirty (30) days of the change.

Decreases in Income

Program participants **MUST** report all decreases of income in writing within thirty (30) days. The PHA must process the change if the decrease income of \$75 per month or more has been reported.

The PHA will process a rent adjustment if all reported changes within a sixty (60) day period result in an overall income decrease as long as the decrease in income will last thirty (30) days or more from the date it was reported and was verified, or when the PHA confirms the decrease in income is \$75 or more per month.

If multiple changes of increase and decrease of income are reported by the family within a sixty (60) day period, an annual recertification may be processed.

PHA Errors

If the PHA makes an error that causes a decrease in the family's portion of the rent, the PHA will process the correction retroactively to the effective date of when the action was made.

If the PHA makes an error that causes an increase in the family's portion of the rent, the PHA will correct the error by processing an interim in a time frame to allow the family a thirty (30) day notice of the tenant rent increase. The family will not be charged retroactively.

C. OTHER INTERIM REPORTING ISSUES (24 CFR 5.516)

The PHA will conduct an interim certification to count imputed welfare income (defined below) for families whose welfare assistance is reduced specifically because of:

- Welfare fraud; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement.

The PHA will, also, conduct an interim certification to reflect changes in actual welfare income 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
- The family has complied with welfare program requirements, but the duration of time limit, such as a cap on the length of time a family can receive benefits, that causes the family to lose their welfare benefits.

Definition of "Imputed Welfare Income"

Imputed Welfare income is the amount of annual income projected but not actually received by a family as a result of a specified welfare benefit reduction.

The amount of Imputed Welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including;

- The amount of the benefit reduction
- The term of the benefit reduction
- The reason for the reduction
- Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the Imputed Welfare income, as determined at the family's annual or interim recertification, 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 participant when the welfare sanction began, Imputed Welfare income will not be included in the annual income.

If the family was not an assisted participant when the welfare sanction began, Imputed Welfare income will not be included in the annual income.

If the family claims the amount of Imputed Welfare income has been calculated incorrectly, designated staff will review the calculation for accuracy.

Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of Imputed Income and the PHA denies the family's request to modify the amount, the PHA will provide the tenant with a notice of denial, which will include:

- An explanation for the PHA's determination of the amount of Imputed Welfare income;
- A statement the tenant may request an informal hearing; and
- A statement that 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 the PHA's determination of the amount of Imputed Welfare income (not the welfare agency's determination to sanction the welfare benefits).

The PHA will obtain written verification from the welfare agency stating 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.

The PHA will rely on the welfare agency's written notice to the PHA regarding welfare sanctions.

D. NOTIFICATION OF RESULTS OF RECERTIFICATION

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Rent Certify (Adjustment) Notice is mailed to the tenant as well as the owner/agent. If the family disagrees with the rent adjustment, they may request a review of the rent calculations. If they still disagree, they may request an informal hearing (see Chapter 18, Section D for hearing request procedures).

E. TIMELY REPORTING OF CHANGES IN FAMILY COMPOSITION

Changes in family composition require an interim recertification and may result in a change to the tenant rent. The voucher size may be changed at the next annual recertification or if client is in the move process.

Standard for Timely Reporting of Changes

The PHA requires the family report in writing any change of family composition to the PHA within thirty (30) days of when the change occurs.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

The PHA will notify the family and the owner of any change in the Housing Assistance Payment to effective according to the following guidelines:

- Increases in the Tenant Rent are effective on the first of the month following at least a 30 day notice.
- Decreases in the Tenant Rent are effective the first of the month, following the month in which the PHA is provided adequate written documentation. However, no rent reduction will be processed until all the facts have been verified, even if a retroactive adjustment results.

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, or fails to provide requested verification within the given timeframe, the family will be considered to have caused a delay in the interim certification processing and the following guidelines will apply:

- Unreported increases in household income 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 will be required to pay the debt in full within 60 days.
- Decreases in Tenant Rent will be effective on the first of the month following completion of processing by the PHA and not retroactively.
- If the voucher size is affected, an annual recertification may be processed early to adjust the voucher size and the family will be given a thirty (30) day notice of such a change.
- The PHA may issue a warning to the family for violation of Family Obligations.

If the family violates the same family obligation after a warning has been issued, the Agency will follow its termination process (see Chapter 15).

Procedures When the Change is Delayed by the PHA

In this case, an increase will be effective after the required 30 day notice prior to the first of the month after completion of processing by the PHA.

If the tenant has overpaid their portion of the tenant rent, the landlord/owner must refund any overpayment to the tenant or apply credit to their future rent payment(s), if applicable.

F. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES

If the family composition increases or decreases during the HAP contract term, the voucher size will be changed at the family's first regular reexamination following the change. Exceptions to this policy include:

- An increase in voucher size made as a result of a Reasonable Accommodation for an individual with disabilities will be effective the month following the month of approval.
- When the family is moving a change in the household composition that causes an increase or decrease in the voucher size will be made at the time of the move.

G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Non-citizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. The Non-citizens Rule was implemented on or after November 29, 1996, and mixed families may receive prorated assistance only.

H. MISREPRESENTATION OF FAMILY CIRCUMSTANCES

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

I. WARNINGS

If a family has been issued a warning in the past for a violation and the same violation reoccurs, the PHA will follow the termination process as described in Chapter 15 of the Administrative Plan.

Chapter 13 MOVES WITH CONTINUED ASSISTANCE/PORTABILITY (24 CFR 982.353, 982.355(a), and 982.551)

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within the PHA's jurisdiction, or to a unit outside of the PHA's jurisdiction under portability procedures. The regulations also allow the PHA the discretion to develop policies that define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of the PHA's jurisdiction, and the policies for restriction and limitations on moves.

A. ALLOWABLE MOVES

Families will only be permitted to move once every 12 months with continued assistance (with proper notice of lease termination and PHA approval).

If a participant abandons his/her unit without prior written notice to the PHA and the landlord, they will not be issued a voucher to lease up in another unit. However, they will be given the right to request an informal hearing.

Should the family not meet the deadlines to submit for an informal hearing request they will be terminated from the HCV Program.

Mitigating circumstances will be reviewed on a case-by-case basis.

If a participating family appeals a decision by the PHA that it has violated a program obligation and is awaiting a hearing on the matter, the PHA will issue the family a voucher to move if:

1. The assisted lease for the old unit has terminated because the PHA has terminated the HAP Contract for an owner breach, or the lease was terminated by mutual agreement of the owner and the family with PHA approval.
2. The owner has given the family notice to move with cause or has obtained a judgment or other process allowing the owner to evict the family. The PHA will follow termination procedures as described in Chapter 15 of this plan.
3. The owner has given the family a notice to terminate its tenancy without cause.
4. The Violence Against Women Act (VAWA) provides that a family may receive a voucher from a PHA and move under the tenant-based assistance program when the family has demonstrated that a member of the family has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was actually or imminently threatened by harm or further violence if he or she remained in the assisted dwelling unit.

B. RESTRICTIONS ON MOVES (24 CFR 982.552(a))

The PHA will deny permission to move with continued assistance:

- During the initial term of the lease, unless the family has been approved for a mutual agreement to terminate the lease.
- If the family owes PHA money or is not current with payments as specified in a PHA repayment agreement.
- If the unit is in “fail” status for tenant-responsible items.
- If the family’s annual recertification is due within 120 days or an interim change is pending and the family is moving voluntarily, the move will be delayed until the certification is completed. Upon receipt of a request to move, the PHA will begin the recertification process. The recertification will be expedited promptly after submission of all paperwork. This will ensure that families lease up a new unit that is affordable to them based on current information. If the family is moving involuntarily, efforts will be made to expedite the recertification also for the same reason, but the family will not be delaying in moving.
- If the family has been previously approved for a mutual agreement to terminate the lease within the last twelve (12) months and the reason for the request to move is not due to health and safety, reasonable accommodation, or VAWA.
- If there is insufficient funding for continued assistance (please see Insufficient Funding Chapter 24).
- If the family has missed two (2) consecutively scheduled voucher issuance sessions without good cause, the move request will be cancelled. The family will receive a Termination Notice for failure to keep appointment – mitigating circumstances will be considered, if the family can provide proof of such circumstances.

The Housing Director may consider exceptions to these restrictions if there is an emergency justification for the move over which the participant has no control, or as a reasonable accommodation for individuals with disabilities, or pursuant to VAWA (42 USC 13925-14045d) or applicable state law. “Emergency” is defined in the glossary of this Administrative Plan.

C. POLICY FOR MOVES (24 CFR 982.351-982.355)

Issuance of Voucher

Families approved to move to a new unit within the PHA’s jurisdiction will be issued a new voucher after all necessary documents have been submitted by the family.

If the family reports a change in income or family composition prior to the submission of a RTA, the move process will be stopped and the reported change in income or family composition will be reviewed to determine whether the family remains eligible for the voucher size it has been issued, or if the change will result in the family paying more than 40% of their monthly adjusted income toward rent.

If the family is exercising portability and reports a change, the receiving PHA will first request the initial PHA to complete an interim change. If the initial PHA does not cooperate timely and causes a delay in processing the portability, the receiving PHA will complete an interim change.

Subject to the restrictions on moves, the PHA will issue the authorization (voucher) to move, and may require the family to attend a briefing (see chapter 8 of this Administrative Plan, Section B).

If the family does not locate a new unit and remains in the current unit with the owner's approval, the HAP will terminate on the date identified in the Notice to Vacate unless a notice to rescind or extend the vacate date is delivered to the PHA.

Notice Requirements

The family must give the owner at least a 30 day written notice of intent to vacate as specified by applicable law and lease. A copy of this notice must, simultaneously, be given to the PHA. The notice must be submitted to the PHA no later than the date the family submits a Request for Tenancy Approval (RTA).

If the landlord provides notice to move with or without cause, the tenant does not have to provide notice back to the landlord before vacating the unit unless the family intends to move prior to the vacate date served by the landlord. All notices provided to the tenant by the landlord must be provided to the PHA by the tenant within fifteen (15) days of being served the notice (per the HCV Family Obligations).

Time of Contract Change

A move within the same building or project, or between buildings owner by the same owner, will be processed like any other move and there will be no overlapping assistance.

Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap with Housing Director approval.

D. PORTABILITY (24 CFR 982.353(b) and 982.355)

All portability processes will follow the Final Rule published by HUD on August 20, 2015 regarding the streamlining of the portability process.

Portability applies to families moving out of or into the PHA's jurisdiction within the United States and its territories.

Outgoing Portability (24 CFR 982.353 and 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 the PHA's jurisdiction. The PHA will allow the family to exercise its right to portability anywhere in the United States and its territories as long as there is a PHA with a tenant-based program.

When a family requests to move outside of the PHA's jurisdiction, the family's written request must specify the area to which the family wants to move. This PHA will identify the receiving PHA and approve or deny the request, by submitting a written response to the family. If there is more than one PHA in the area in which the family has selected a unit, the PHA may choose the receiving PHA.

Restrictions on Portability (24 CFR 982.353)

The PHA will not permit families to exercise portability:

- If the family is in violation of a family obligation.
- If the family has moved out of its assisted unit in violation of the lease.
- If the family is a non-resident applicant in the PHA's jurisdiction at the time of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher. Non-resident applicants have no right to move under portability for twelve (12) months from the time the family is admitted to the HCV Program.
- Other reasons as listed in Part C of this Chapter.

Incoming Portability (24 CFR 982.355)

Upon meeting existing regulations and PHA policy, a participant family may exercise its right to port into Carteret County and lease a unit within this PHA's jurisdiction.

Absorption or Administration

The receiving PHA will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the family will be issued a "portable" voucher by the PHA. The voucher issued by the receiving PHA to the family may not expire before thirty (30) calendar days has passed from the expiration date of the initial PHA's voucher. The family must submit a RTA for an eligible unit to the receiving PHA during the term of the receiving PHA voucher. The receiving PHA may grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease-up in the receiving PHA's jurisdiction, they must contact the initial PHA to request an extension.

The PHA will not process the family if the initial PHA's voucher has expired.

When the receiving PHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and the receiving PHA's policies will prevail.

The receiving PHA will determine the family unit size for the portable participant family, and will issue a "portable voucher" in accordance with the subsidy standards of the receiving PHA.

Incoming Portability and Criminal Background Checks

Families who port into the jurisdiction of the PHA will be held to the same standard as current HCV participants for background checks. Families porting into Carteret County will have a criminal background check run and their request to port into the PHA's jurisdiction may be denied if they do not meet the standards described in Chapter 15 where screening for criminal activity is discussed.

In order to be consistent with the PHA's policy to check the criminal background of anyone requested to be added to the household, the PHA will conduct a criminal background check on all family members who are at least 18 years or older who choose to "port" their voucher to Carteret County. If the results of the criminal background check includes drug or violent criminal activity that has occurred within the last three years, the PHA may:

- Deny the family's request to port into this jurisdiction and provide them with a copy of the criminal report;
- Notify the initial PHA of the results in the criminal background report and provide the initial PHA with a copy of the criminal background report; and
- Allow the family to rescind their request to exercise portability into the receiving PHA's jurisdiction and return the portability paperwork with the 52665 to the initial PHA indicating the family has elected not to exercise portability into the receiving PHA's jurisdiction.

The PHA's decision to conduct a current criminal background check will not cause a delay in the processing of the family's portability or a loss of the family's right to exercise portability.

If a family fails a criminal background check (please see the standards described in Chapter 15 where screening for criminal activity is discussed), they will be denied from porting into the PHA's jurisdiction until they are able to meet the criminal background screening requirement.

Income and Total Tenant Payment of Incoming Portable (24 CFR 982.355(d))

This PHA will request the initial PHA to conduct an annual or an interim certification for families that exercise portability into this PHA's jurisdiction when a change in income occurs prior to the execution of a Housing Assistance Payment Contract. An updated 50058 will be requested from the initial PHA. If the initial PHA does not make the change, this PHA will complete the change prior to lease up.

This PHA will not approve additions of household members while the family is in the process of porting in. Addition of household members will be subject to the add-on policy described in Chapter 5 after initial lease-up.

Reasonable Accommodation Requests and Incoming Portability

A reasonable accommodation approved by an initial PHA does not automatically transfer to this PHA with the family. Upon the request for a reasonable accommodation by the family, the PHA may verify the need for the reasonable accommodation for an individual with disabilities through the Reasonable Accommodation Compliance PHA staff member.

A briefing is required for incoming portable families.

Incoming portable families are subject to the receiving PHA's subsidy standards.

The PHA may extend the voucher of a family and notify the initial PHA. This extension will be granted within the billing date of the initial PHA. If the initial PHA informs the PHA it is not willing to extend the voucher in consideration of future billing, this PHA will deny the extension.

If the family leases up successfully, the PHA will notify the initial PHA within fourteen (14) business days and the billing process will commence.

If the receiving PHA denies assistance to the family, the receiving PHA will notify the initial PHA within fourteen (14) business days and the family may request an Informal Review or Informal Hearing.

When the family submits a Request for Tenancy Approval, it will be processed using the receiving PHA's policies. If the family does not submit a RTA or does not execute a lease, the receiving PHA will notify the initial PHA>

The receiving PHA will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside of the receiving PHA's jurisdiction under continued portability.

Regular Program Functions

The receiving PHA will perform all program functions applicable to the tenant-based assistance program.

Terminations

The receiving PHA will notify the initial PHA in writing of any termination of assistance within fourteen (14) business days of the termination or the hearing decision being rendered. If an informal hearing is required and requested by the family, the hearing will be conducted by the receiving PHA. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHA notifies the receiving PHA the family is in arrears or

the family has refused to sign a payment agreement, the receiving PHA will terminate assistance to the family.

Required Documents

As a receiving PHA, the PHA will require the documents listed on the HUD Portability Billing Form 52665 from the initial PHA.

Billing Procedures

The receiving PHA will bill the initial PHA monthly for housing assistance payments (HAP) if the family has not been absorbed. The billing cycle for other amounts, including administrative fees and special claims, will be monthly unless requested otherwise by the initial PHA. If the tenant moves in mid-month and the HAP is prorated, all HAP amounts are rounded to the nearest whole dollar.

The initial PHA must reimburse the receiving PHA for 80% of the initial PHA's administrative fee or 100% of the receiving PHA's administrative fee, whichever is less. The receiving PHA will bill 100% of the housing assistance payment and 100% of special claims for each "portability" voucher leased as of the first day of the month. The administrative fee is never prorated and is not rounded. The entire administrative fee is billed for any participant who has a HAP contract effective as of the first day of the month. The receiving PHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify the receiving PHA of changes in the administrative fee amount to be billed.

When the administrative fee changes; the new amount will be implemented at the next billing action after the effective date.

Chapter 14 CONTRACT TERMINATIONS

(24 CFR 982.309-982.311)

INTRODUCTION

The Housing Assistance Payment (HAP) Contract is the contract between the owner and the PHA that defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by the PHA and the owner, and the policies and procedures for such termination.

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 the PHA may be terminated by the PHA or by the owner.

No future subsidy payments on behalf of the family will be made by the PHA to the owner after the effective date of the contract termination. The owner must reimburse the PHA for any subsidies paid by the PHA for any period after the contract termination date.

If the family continues to occupy the unit after the HAP Contract is terminated, the family is responsible for the total amount of rent due to the owner under the lease agreement. The owner will have no right to claim compensation from the PHA for vacancy loss under the provisions of certificate HAP Contracts effective before October 1, 1996, with the exception of Moderate Rehabilitation (Mod Rehab) and Project-Based units which may claim compensation for vacancy loss.

If the family meets the criteria for a move from their current unit after the contract termination with continued assistance, the family may lease up in another unit. For further clarification in regards to effective date of the HAP Contract, please refer to Chapter 11, Section A.

B. TERMINATION BY THE FAMILY

Family termination of the lease must be in accordance with the terms of the lease. Families are required to notify the PHA and the owner in writing with at least a (thirty) 30 day notice before they move out of a unit. The tenant must provide the PHA with a copy of the notice served to the owner.

C. TERMINATION OF TENANCY BY THE OWNER (24 CFR 982.310 AND 982.455)

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy at or before the commencement of an unlawful detainer (eviction) action. The notice may be included in or may be combined with any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate or a complaint or other initial pleading used under State

or local law to commence an eviction action. The owner must provide the tenant with an appropriate notice to vacate as determined by state and local law.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations and State or local law. The owner must provide the PHA with a copy of the termination notice. During the term of the lease the owner may terminate tenancy for:

1. 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.
2. Violations of Federal, State or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises.
3. 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 by persons residing in the immediate vicinity of the premises.
4. Any drug-related criminal activity on or near the premises.
5. Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.
6. Other good cause (when in accordance with Federal, State, and local law).

The eviction notice must specify the cause for the eviction.

After the initial term of the lease, other good cause includes:

1. Business or economic reason for regaining possession;
2. Owner's desire to repossess unit for personal use; or
3. Tenant's refusal to accept offer of a new lease

The owner may not terminate tenancy if the PHA fails to pay the housing assistance payment or pays it late. PHA failure to make the housing assistance payment is not a violation of the lease between the family and the owner.

Foreclosures

The following provisions regarding foreclosures expire on December 31, 2019 (unless extended):

- During the term of the lease, the tenant has a right to remain in the unit and cannot be evicted, except for actions that constitute good cause.
- If the lease ends in less than 90 days, the new owner may not evict the tenant without giving the tenant a minimum of a 90 day notice.
- At the end of the term of the lease, the new owner may terminate the tenancy if the new owner provides a 90-day notice.

The new owner may terminate the tenancy if the owner will occupy the unit as a primary residence and has provided the tenant a notice to vacate at least 90 days before the effective

date of such notice. This is the only exception to the rule the tenant may not be evicted during the term of the lease.

The foreclosure of a property does not constitute “other good cause.”

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a family member if the owner determines they have engaged in the criminal activity:

- Regardless of arrest or conviction.
- Without satisfying the standard of proof used for a criminal conviction.

Exclusion of Culpable Household Member

The owner may require a tenant to exclude a household member in order for the family to continue to reside in the assisted unit.

Consideration of Rehabilitation

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the family member:

- Is no longer participating in the drug and/or alcohol abuse.
- 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 must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgement or other process allowing the owner to evict the tenant, unless the family moves or other reasons for termination apply.

If the action is finalized in court, the owner must provide the PHA with the documentation including notice of the lockout date.

D. TERMINATION OF THE CONTRACT BY PHA (24 CFR 982.404(a), 982.453, 982.454, and 982.552(a)(3))

The term of the HAP Contract terminates when the lease terminates, when the PHA terminates program assistance for the family, and/or when the owner has breached the HAP Contract (see “Owner Disapproval and Restriction,” Chapter 16 of this Administrative Plan). The PHA may also terminate the contract if:

1. The PHA terminates assistance to the family.
2. 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.
3. Funding is no longer available under the Annual Contributions Contract.
4. Family vacates without notice.
5. Family self-terminates from HCV participation.

An active HAP Contract will terminate if the HAP is zero dollars for 180 consecutive days. For clarification see Chapter 15, Section H.

Chapter 15 DENIAL OR TERMINATION OF ASSISTANCE
(24 CFR 5.902, 5.903, 5.905, 982.4, 982.54, 982.552 and 982.553)

INTRODUCTION

The PHA may deny or terminate assistance for a family due to the family's action or failure to act. The PHA will provide families with a written description of the family obligations under the program and the grounds under which the PHA can deny or terminate assistance. This chapter provides the PHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

PHA Discretion to Deny Admission or Terminate Assistance (24 CFR 982.522(c))

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA will consider all relevant circumstances in each case, such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The PHA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. The PHA may permit the other members of a family to continue to participate in the program.

A. GROUNDS FOR DENIAL OF ASSISTANCE (24 CFR 982.54, 982.552, and 982.553)

If a denial decision is based on an individual's behavior or action resulting from a disability, the PHA may delay the denial in order to determine whether there is a reasonable accommodation that could be granted to adjust or ameliorate the behavior or action of the individual if such action or behavior is the result of the individual's disability.

HUD Standards for Denial (24 CFR 982.54(d), 982.552, 982.553)

The PHA must permanently deny assistance to applicants to the HCV Program if the PHA determines any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

The PHA must deny admission to an applicant if the PHA determines any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

The PHA may deny admission to the program for applicants if the PHA determines any household member is currently engaging in the illegal use of a drug (including marijuana). See Section B of this chapter for the PHA's established standards.

The PHA may deny admission to the program for applicants if the PHA determines it has reasonable cause to believe that a household member's illegal drug use may threaten the health, safety, or right to peaceful enjoyment of residents in the immediate vicinity. See Section B of this chapter for the PHA's established standards.

The PHA must deny admission to the program for an applicant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR Part 5, subparts B and F.

The PHA must deny admission when required under the regulations to establish citizenship or eligible immigration status.

The PHA must deny admission if the family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

PHA Grounds for Denial of Assistance (24 CFR 982.551, 982.552 and 982.553)

The PHA may deny program assistance for an applicant, for any of the following reasons:

- If any member of the family has engaged in or threatened abusive or violent behavior toward PHA personnel, contractors, or customers on the premise or while the PHA representative is conducting an inspection of the family's rental unit. This includes but is not limited to: verbal abuse, physical abuse, violence or acts of intimidation. Use of expletives customarily used to insult or intimidate may be cause for denial. "Threatening" refers to oral or written threats or physical gestures that communicate the intent to abuse or commit violence.
- If a member of the household has been indicted, convicted, or otherwise sought by the courts and is fleeing to avoid prosecution, custody, or confinement.
- If the family currently owes rent or other amounts to the PHA or to another PHA in connection with the Housing Choice Voucher (HCV) Program [previously known as Section 8] or public housing assistance under the 937 Act.
- If the family is not eligible for admission, refer to "Eligibility for Admission," Chapter 2 of this Administrative Plan for further information.

Notice of Denial

In any case where the PHA decides to deny assistance to the family, the PHA must give the family written notice which states:

- ✓ The reason(s) for the denial of assistance.
- ✓ The family's right to request an Informal Review to be held before denial of assistance.
- ✓ The date by which a request for an Informal Review must be received by the PHA.

When a family receives a Notice of Denial based on a criminal conviction record, the PHA will provide the subject of the record and the applicant with a copy of the criminal record (upon submitting written request and providing a photo I.D. to ensure the PHA is maintaining the security of the personal information of the subject of record). The PHA **will not** mail criminal records to any address as it is a security risk. The applicant will be provided an opportunity to dispute the accuracy and relevance of that record.

B. DENIAL – SCREENING FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY (24 CFR 982.553)

Administration

All screening shall be administered fairly and in such a way as not to violate rights of privacy or to discriminate on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, sexual orientation, or gender identity, or other legally protected groups.

To the maximum extent possible, the PHA will encourage other community and governmental entities in the promotion and enforcement of this policy.

Screening of Applicants

Criminal Background screening will apply to any member of the household who is 18 years of age or older, or an emancipated minor.

Standard for Violation

The PHA will consider the illegal use of alcohol abuse to be a pattern if there is more than one conviction during the previous twelve (12) months.

“Engaged in or engaging in” violent criminal activity means any act within the past three years by an applicant or participant or household member.

Violent criminal activity is 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 reasonable likely to cause, serious bodily injury or property damage.

In evaluating evidence of negative past behaviors, the PHA may 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.

Applicants will be denied assistance if they have been convicted of violent criminal activity within the last three years prior to the date of the admission eligibility determination.

If an applicant is denied admission to the program for the reasons detailed in this section, the applicant retains the right to appeal (see “Complaints and Appeals,” Chapter 18 of this Administrative Plan).

Other Criminal Activity

The PHA will deny participation in the program to applicants where the PHA determines there is reasonable cause to believe the person is/has been involved in drug related criminal activity or engaged in other criminal activity as defined in the Glossary within three (3) years prior to consideration of eligibility for program admission.

Denial of Additions to the Household for Criminal Activity (24 CFR 982.553)

The PHA may deny any request to add a person to the household who is on either formal probation or parole. Staff will review each situation on a case by case basis taking into account the mitigating circumstances.

Sex Offenders

The PHA 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, the PHA will perform, in addition to a criminal background check, a check through the www.nsopw.gov to determine whether any household member is subject to a lifetime sex offender registration requirement. Subsequent checks through the above-mentioned website will be conducted annually (after admission to the program).

Evictions for Drug-Related Criminal Activity

Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the HCV Program for a three (3) year period beginning on the date of such eviction. However, the household may be admitted if, after considering the individual circumstances of the household, the PHA determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA.
- The circumstances leading to eviction no longer exist because the culpable member is no longer in the household.

Confidentially of Criminal History Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal records, while needed by staff for screening for criminal behavior, will be housed in a secure location with access restricted to individuals responsible for such screening.

Misuse of the above information by any employee of the PHA will be grounds for termination of employment.

If the family is determined eligible for initial or continued assistance, the PHA's copy of the criminal record shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family's assistance is denied or terminated, the criminal record information will be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

The PHA will document in the family's file the family was denied admission or the tenancy was terminated due to findings in the criminal history record.

Disclosure of Criminal History Records to the Family

When a family receives a Notice of Denial based on a criminal conviction record, the PHA will provide the subject of the record and the applicant with a copy of the criminal record (upon submitting written request and providing a photo I.D. to ensure the PHA is maintaining the security of the personal information of the subject of record). The PHA **will not** mail criminal records to any address as it is a security risk. The applicant will be provided an opportunity to dispute the accuracy and relevance of that record.

PHA staff will work with the family to address reasonable accommodation requests for individuals with disabilities.

C. DENIAL PROCEDURES FOR NON-CITIZENS (24 CFR 5.514, 5.516, and 5.518)

Denial due to Ineligible Immigrant Status

Applicant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance. The PHA must offer the family an opportunity for an informal hearing. (See "Eligibility for Admission," Chapter 3, section on Citizenship/Eligible Immigration Status.)

Procedure for Denial

If the family (or any member) claimed eligible immigrant status and the Department of Homeland Security (DHS) primary and secondary verifications failed to document the status, the family may make an appeal to the DHS and request a hearing with the PHA either after the DHS appeal or in lieu of the DHS appeal. After the PHA has made a determination of ineligibility, the family will be

notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

D. MISSED APPOINTMENTS AND DEADLINES (24 CFR 982.551, 982.522(c))

It is a family obligation to supply information, documentation, and certification as needed for the PHA to administer the program. The PHA schedules appointments and sets deadlines in order to obtain the required information.

An applicant who fails to keep an appointment (after two scheduled attempts by the PHA), or to supply information required by a deadline without notifying the PHA, may be sent a Notice of Denial of Assistance for failure to provide required information.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures (including but not limited to initial interview, annual recerts, interim reexams)
- Certificate/Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are for ‘good cause,’ which is defined in the Glossary.

E. GROUNDS FOR TERMINATION OF ASSISTANCE (24 CFR 982.552 and 982.553)

If a termination is based on an individual’s behavior or action resulting from a disability, the PHA may delay the termination in order to determine whether there is a reasonable accommodation that could be granted to adjust or correct the behavior or action of the individual if such action or behavior is the result of the individual’s disability.

HUD Grounds for Termination (24 CFR 982.552(b), 982.552(a) and (b))

The PHA must terminate assistance for participants if at least 180 days have elapsed since the PHA’s last housing assistance payment was made on behalf of the family. (See “Contract Terminations,” Chapter 14 of this Administrative Plan).

The PHA must terminate the assistance of a family under the program if the PHA determines that any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

The PHA will terminate assistance for program participants if the PHA determines that any household member is currently engaging in illegal use of a drug under Local, State, or Federal

law. The PHA will consider mitigating circumstances. (See Section B Standard for Violation, Additional Grounds for Termination of Assistance of this chapter and Chapter 25).

The PHA will terminate assistance for program participants if the PHA determines that it has reasonable cause to believe that a household member's illegal drug use may threaten the health, safety, or right to peaceful enjoyment of other residents or persons residing in the immediate vicinity of the premises. The PHA will consider mitigating circumstances. See Section B, Standard for Violation of this chapter.

The PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease. (See Glossary for definition of Serious Lease Violation).

The PHA must 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 24 CFR Part 5, subparts B and F.

The PHA must terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

The PHA must terminate assistance if the family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

Additional Grounds for Termination of Assistance (24 CFR 982.551, 982.552(c), 982.553(b))

The PHA may terminate program assistance for a participant for any of the following reasons:

- If any family member violates any family obligation under the program.
- For committing acts of physical abuse or violence. HCV clients who are victims of certain types of violence may be protected from termination under the Violence Against Women Act (VAWA). Clients cannot be terminated from assistance solely because of domestic violence and/or abuse by a partner unless there is other cause for termination (such as non-payment of rent). Under VAWA protections, the abuser may be removed from the voucher while allowing the rest of the household to remain.
- The family pays an amount for rent to the owner not approved by the Housing Authority.
- If any member of the family has engaged in or threatened abusive or violent behavior toward PHA personnel, contractors, or customers on the premises or while the PHA representative is conducting an inspection of the family's rental unit. This includes but is not limited to: verbal abuse, physical abuse, violence or acts of intimidation. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination. "Threatening" refers to oral or written threats or physical gestures that communicate the intent to abuse or commit violence.
- If any family member engages in disruptive behavior that threatens health, life, or safety and creates a need for police to be summoned to the PHA premises. This may include, but is not limited to refusing to leave when asked by PHA staff.

- If the entire family is absent from the assisted unit for more than 30 consecutive days, without prior approval to the PHA, the unit will be considered to be vacated and assistance will be terminated.
- If a member of the household has been indicted, convicted, or otherwise sought by the courts and is fleeing to avoid prosecution, custody, or confinement.
- If the family self-terminates from the HCV Program.
- Eviction for serious lease violations.
- If the family fails to give the PHA a copy of any termination of tenancy notice which may include but is not limited to a 30 day, 60 day, or 90 day Notice to Vacate or a Notice of Eviction or Intent to Evict.
- If the family is not eligible for admission, refer to “Eligibility for Admission,” Chapter 2 of this Administrative Plan for further information.

The family will be given the opportunity to cure the breach. These opportunities may be by appointments, written requests for information or both. Each case will be considered on an individual basis.

Mandatory Tenant Conference (MTC)

Before proposing termination of a family’s eligibility, the PHA will send a Mandatory Tenant Conference appointment letter to the tenant detailing the allegations/request for information that will be discussed at the MTC. The exception is when the family fails to attend a scheduled appointment, see Chapter 15, Part K. The MTC appointment will be scheduled with a seven (7) business day notice unless the tenant requests for an earlier appointment date and staff is available to meet with the tenant.

At the MTC, the PHA will conduct a fact finding interview to discuss the allegations/required information and the tenant will be allowed to provide any documentation related to the allegations/or submit required information and complete an affidavit.

The family will be notified of how the PHA will proceed in this matter.

Notice of Proposed Termination of Assistance

In any case where the PHA proposed to terminate assistance to the family, the PHA will give the family the Notice of Termination that includes the reasons for termination and the steps the family must take to request an Informal Hearing for a resident or an Informal Review for an applicant.

Before the PHA takes any adverse action based on a criminal conviction record, including a notice denying admission, the PHA will conduct an individualized review of the individual’s record. The PHA will provide the subject of the record and the resident/applicant with a copy of the criminal record upon written request and providing picture I.D. to ensure the PHA is maintaining the

security of the personal information of the subject of record. The PHA will not mail criminal records to any address as it is a security risk. The resident/applicant will be provided an opportunity to dispute the accuracy and relevance of that record.

The PHA will provide written notice of the contract termination to the owner so that it will coincide with the Notice of Termination, unless the family has vacated the subsidized unit, or the termination date allows the owner to receive overlapping HAPs for two tenants in the same unit. The notice to the owner will not include any details regarding the reason for termination of assistance.

Methods of Termination

Termination of assistance for a participant may include, but is not limited to, any or all of the following:

- Refusing to enter into a HAP contract or approve a request for tenancy approval (RTA).
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures.

F. TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY (24 CFR 982.553)

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 disturb the peaceful and quiet use and enjoyment of other residents in and around the neighborhood. It is the intention of the PHA to fully endorse and implement a policy designed to:

- ✓ Help create and maintain a safe and drug-free community, and
- ✓ Keep program participants and neighbors free from threats to their personal and family safety, as well as the safety of their property.

Administration

All termination of assistance procedures will be administered fairly and in such a way as not to violate participants' privacy rights or discriminate on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, sexual orientation, gender identity, or other legally protected groups.

The privacy policy will be posted on the bulletin board of the PHA's Administrative location (303 McQueen Avenue, Newport, NC) lobby and copies will be made readily available to participants upon request.

To the maximum extent possible, the PHA will encourage other community and government entities in the promotion and enforcement of this policy.

Other Criminal Activity

The PHA may terminate participants from the program where the PHA determines there is reasonable cause to believe the person is/has been involved in drug related criminal activity or has engaged in or is currently engaged in other criminal activity as defined in the Glossary.

Sex Offenders

HUD regulations at 24 CFR 5.856, 960.204(a)(4), and 982.553(a)(2) prohibit admission, after June 25, 2001, of any member of a household who is subject to a State lifetime sex offender registration requirement. This regulation reflects a regulatory prohibition. A household receiving assistance with such a member is receiving assistance in violation of federal regulations.

For any admissions after June 25, 2001 (the effective date of the Screening and Eviction for Drug Abuse and Other Criminal Activity final rule), if the recertification/reexamination screening reveals the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or the tenant has falsified information or otherwise failed to disclose his or her criminal history on the application and/or recertification/reexamination forms, the Owner/Agent (O/A) or PHA will pursue termination of HCV Program participation.

If an O/A or PHA erroneously admitted a lifetime sex offender, the O/A or PHA will offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA or O/A must terminate the household's assistance.

For admissions before June 25, 2001, there is currently no HUD statutory or regulatory basis to evict or terminate the assistance of the household solely on the basis of a household member's sex offender registration status.

Standard for Violation for Drug-Related Criminal Activity or Violent Criminal Activity

The PHA will consider alcohol abuse to be a pattern if there is more than one conviction for an alcohol-related offense during the previous twelve (12) months.

"Engaged in or engaging in" drugs or violent criminal activity means any act within the past three (3) years by a participant or household member.

Violent criminal activity is 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 reasonable likely to cause, serious bodily injury or property damage.

In evaluating evidence of negative past behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood

the individual will refrain from such conduct in the future, which could be supported by evidence of rehabilitation.

The PHA may waive the requirement regarding drug-related criminal activity if the individual demonstrates successful completion of a credible rehabilitation program approved by the PHA. In appropriate cases, the PHA may permit the family to continue receiving assistance, provided that family members determine to have engaged in the prescribed activities, excluding Head of Household, spouse/partner or co-head, will not reside in the unit. If the violating member is a minor, the PHA may consider individual circumstances by working with Juvenile Court system without violating the confidentiality of juvenile court records. For an adult, the PHA will require the family to sign a written certification the family member is no longer in the home, and will request documentation verifying the offending family member's new residential address (e.g. lease or rental agreement).

Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent and the PHA may terminate the participant's assistance according to procedure.

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

If the Head of Household is incarcerated, the remaining household members who are at least 18 years of age will be responsible for reporting the absence. If there are minor children in the home, refer to Caretake for Child(ren).

In either case, the family must promptly report any absence of 30 days or more due to incarceration to the PHA in writing.

The PHA will determine whether the reason for incarceration is for drug-related or violent criminal activity.

If a member of the household is subject to a court order that restricts him/her from the home for more than 30 days, that individual will be considered permanently absent.

If there are additional family members who would lose access to housing, mitigating circumstances will be considered when evaluating the status of the voucher.

If the reason for the absence is due to incarceration, the family member who was incarcerated may be required to undergo a new criminal background check upon his/her release from jail, prison, or other facility.

Terminating Assistance for Alcohol Abuse by Household Members

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if the PHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. This includes cases where the PHA determines there is a pattern of alcohol abuse.

The PHA will consider alcohol abuse to be a pattern if there is more than one conviction during the previous twelve (12) months.

G. FAMILY OBLIGATIONS (24 CFR 982.551)

Failure to comply with all Family Obligations may be cause for termination which includes (but is not limited to):

- The requirement the family supply any information the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status.
- The requirement the family supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
- The requirement the family disclose and verify social security numbers and sign and submit consent forms for obtaining information, with the exception of those individuals who do not claim to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals in most instances would not be eligible for a SSN.
- The requirement that all information supplied by the family to the PHA be true and complete.
- The family's responsibility for breaches of the HQS caused by the family including but not limited to any of the following:
 - Failure of the family to pay for any utilities the owner is not required to pay for, but which are to be paid by the tenant;
 - Failure of the family to provide and maintain any appliances the owner is not required to provide, but which are to be provided by the tenant; or
 - Damage to the dwelling unit or premises caused by any member of the household or any of their guests (this refers to damages beyond ordinary wear and tear [e.g. holes in the walls, broken fixtures, etc.]).
- The requirement the family allow the PHA to inspect the unit at reasonable times and after reasonable notice.
- The requirement the family not commit any serious or repeated violations of the lease.
- The requirement the family notify the owner and, at the same time, the PHA before the family moves out of the unit or terminates the lease.

- The requirement the family give the PHA a copy of any owner eviction/notice of termination of tenancy within fifteen (15) days. However, failure to give the PHA a copy of warning notices (as opposed to notices terminating the tenancy) will not be deemed cause for termination.
- The requirement the family use the assisted unit for residence by the family. The unit must be the family's **ONLY residence**.
- The requirement the family not have their mail forwarded to another address.
- The requirement the composition of the assisted family residing in the unit be approved by the PHA. The family must promptly inform the PHA of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member or custody of a child. The family must request PHA approval to add any other family member or other individual as an occupant of the unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit (except for a foster child or live-in aide, with prior approval).
- The requirement the family notify the PHA within thirty (30) days if any family member no longer resides in the unit (e.g. if any household members move out).
- The requirement the family not sublease the unit.
- The requirement the family refrain from assigning the lease or transferring the unit to any other individual(s).
- The requirement the family supply any information or certification requested by the PHA to verify the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of the absence of any household member(s) from the unit.
- The requirement the members of the family not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
- Criminal background screening will apply to any member of the household who is 18 years of age or older or an emancipated minor.
- The requirement that members of the household 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 requirement that members of the household 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.
- The requirement the assisted family or any of its members not receive Section 8 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.
- The following are additional Family Obligations as identified on HCV Participants' Annual Recertification:
 - The family must notify the PHA of the birth, adoption, or court-awarded custody of a child or children within thirty (30) days.

- The family must notify the PHA in writing, within thirty (30) days, when the family will be away from the unit for at least thirty (30) days.
- The family must notify the PHA in writing, within thirty (30) days, of any and all changes in the income of any family member.
- Unless their lease was effective prior to June 17, 1998, the owner must not be a parent, child, grandparent, grandchild, sister, brother, aunt, uncle, or any other relative of any member of the household. The PHA may waive this restriction as a reasonable accommodation for a family member who is a person with a disability if there is a nexus between the disability-related need and the provisions included in the rental property.

Explanations and Terms

The term “promptly” when used with regard to the family obligations always means “within thirty (30) days.” Termination of assistance is always optional except where this Administrative Plan or the Code of Federal Regulations state otherwise.

HQS Breaches

The assigned Inspector will determine if a HQS breach, as identified in 24 CFR 982.404(b), is the family’s responsibility. Families may be granted extensions to cure HQS breaches under reasonable circumstances.

Confidentiality of Criminal Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed by staff for screening for criminal behavior, will be housed in a secured location with access restricted to individuals responsible for such screening.

The PHA will document in the family’s file the family was terminated due to findings in the Criminal History Report.

Misuse of the Criminal History Report by any employee will be grounds for termination of employment. Penalties for misuse are contained in Personnel Policies.

H. TERMINATION – ZERO HAP ASSISTANCE TENANCIES

The family may remain in the unit at zero (\$0) assistance for 180 days after the last HAP payment. Any new change of income requests submitted during this 180 day period will be reviewed by staff to determine whether the family will continue to be eligible for assistance.

In order for a family to move to another unit during the 180 days of receiving zero HAP, the rent for the new unit must be high enough to necessitate a housing assistance payment.

I. OPTION NOT TO TERMINATE FOR MISREPRESENTATION (24 CFR 982.551, 982.552(c))

If the family has misrepresented any facts, the PHA will consider relevant circumstances surrounding any termination of assistance related to the allegedly misrepresented facts or statements.

J. TERMINATION – FRAUD

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other corrupt or criminal act in connection with any Federal Housing Program, the PHA may deny or terminate assistance.

K. TERMINATION – MISSED APPOINTMENTS AND DEADLINES (24 CFR 982.551, 982.522(c))

It is a family obligation to supply PHA-requested information, documentation, and certification as needed for the PHA to administer the program. The PHA will schedule a Mandatory Tenant Conference (MTC) for participants/applicants and will set deadlines in order to obtain the required information.

A participant who fails to supply information when requested will be scheduled for a MTC appointment. A participant who fails to supply information as requested at the MTC appointment, who fails to attend MTC appointment or misses two (2) scheduled HQS inspection appointments may be sent a Notice of Termination of eligibility unless “good cause” is provided by the participant to the PHA.

If a participant supplies requested information to the PHA after the deadline, the participant may be issued a Warning Notice.

If a participant has been issued a warning for the same program violation, he/she may be issued a Notice of Termination of eligibility after the MTC process.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Certificate/Voucher Issuance and Briefings
- Verification Procedures (including but not limited to initial interview, annual recerts, interim reexams)
- Housing Quality Standards (HQS) Inspections
- Recertifications
- Mandatory Tenant Conferences
- Informal Reviews and Informal Hearings

“Good Cause” as defined in the Glossary, means acceptable reasons (e.g. medical emergency, etc.) for missing appointments or failing to provide information by deadlines.

Procedure when Information is Not Provided or Appointments are Missed

A family who fails to provide information to the PHA or misses scheduled appointments will be issued a Notice of Termination.

If a family is scheduled for a MTC by phone or through written notice and fails to attend the appointment, the PHA will issue a Notice of Termination unless “good cause” is provided.

After termination is proposed, if the family offers to correct the breach within the time allowed for requesting an informal hearing the termination may be rescinded only after the family cures the breach. In this case, a formal warning will be issued notifying the family that future breaches, including the family obligations to respond to the PHA in a timely manner, may result in termination.

Chapter 16 OWNER DISAPPROVAL AND RESTRICTION

(24 CFR 982.54, 982.306, 982.453)

INTRODUCTION

It is the policy of the PHA to recruit owners to participate in the Housing Choice Voucher (HCV) Program. The PHA will provide owners with prompt and professional service in order to maintain an adequate supply of available housing within the PHA's jurisdiction. The HUD regulations define when the PHA must disallow an owner participation in the program. The regulations also outline situations in which the PHA has discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER (24 CFR 982.306, 982.54(d)(8))

The owner does not have a "right" to participate in the HCV Program. For purpose of this section, "owner" includes a principal or other interested party (e.g. property manager or property management company).

The PHA will disapprove the owner for the following reasons;

- HUD or other agency directly related has informed the PHA the owner has been debarred, suspended, or subject to a limited denial of participation under 2 CFR part 2424.
- HUD has informed the PHA the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.
- HUD has informed the PHA that a court or administrative agency has determined 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 must not be a parent, child, grandparent, grandchild, sister, brother, aunt, uncle, or any other relative of any member of the household. The PHA may waive this restriction as a reasonable accommodation for a family member who is a person with a disability if there is a nexus between the disability-related need and the provisions included in the rental property. This restriction against PHA approval of a unit only applies at the time a family initially receives tenant-based assistance for occupancy of a particular unit, but does not apply to PHA approval of a new tenancy with continued tenant-based assistance in the same unit. 24 CFR 982.306(d)

The PHA may disapprove the owner for the following reasons:

- In cases where the owner and tenant have the same last name, the PHA may, at its discretion, require the family and/or owner to certify whether they are related to each other in any way.
- The owner has violated the terms of the housing assistance payments (HAP) contract. This includes, but is not limited to: charging the tenant, or accepting from the tenant,

payments in excess of the approved contract rent for rent of the contract unit (these types of payments are referred to as “side payments”).

- The owner has violated any obligation under the HAP Contract for the dwelling unit, including the owner’s obligations to maintain the unit to HQS, including any standards the PHA has adopted in this policy.
- The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.
- The owner has engaged in drug related criminal activity or violent criminal activity.
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has not paid State or local real estate taxes, fines or assessment.
- 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 engaged in or threatened abusive or violent behavior toward PHA personnel. “Abusive or violent behavior” includes verbal as well as physical epithets or other language, written or oral, that is customarily used to intimidate, may be cause for termination or denial. “Threatening” refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- The PHA will not approve a HAP Contract to any owner who is related to the tenant, except when needed as a reasonable accommodation for an individual with a disability.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of the PHA, or of the owner’s employees or other persons engaged in management of the property;
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences of persons residing in the immediate vicinity of the premises; or that has engaged in drug-related criminal activity or violent criminal activity.

B. OWNER/AGENCY RESTRICTIONS (24 CFR 982.306)

Where it is determined that an owner or agent has violated the terms of the HAP Contract, the PHA may do the following:

- Conduct an Owner or Agent conference to determine the nature and seriousness of the violation;
- Issue a warning against further program violations; and/or

- Recommend program debarment for a period of up to five (5) years or permanent debarment.

If the PHA determines there has been an overpayment of HAP to the owner, the PHA will issue an overpayment notice for any outstanding HAP; and the owner must repay the PHA all outstanding balances either via reimbursement or reduction of HAP for the next month(s).

Chapter 17 OWNER OR FAMILY DEBTS TO THE PHA

(24 CFR 982.552)

INTRODUCTION

This chapter describes the PHA's policies for the recovery of monies that have been overpaid to families and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PHA's claim the debt is owed. The file must further contain written documentation of the method of calculation in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to the PHA, the PHA will make every effort to collect it. The PHA may use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Abatements
- Reductions in HAP to Owner
- Collection agencies
- Credit bureaus
- Income tax refund intercept
- U.S. Department of Housing and Urban Development (HUD)

A. Repayment of Debts to the PHA

Family

When a family is determined to have incurred a debt to the PHA due to underreporting or the failure to report a change in income or household composition in a timely manner; the PHA will meet with the family to inform them about the debt and about the process used to identify and calculate the debt.

The family is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was calculated in accordance with HUD's rent formula. The difference is called retroactive rent. The family will be given the opportunity to make full repayment of the debt at the time or the family may enter into a repayment agreement with the PHA.

In the case of unapproved member(s) in the subsidized unit when the PHA is unable to accurately calculate the household income; the PHA will require repayment of 100% of the housing

assistance payments and utility reimbursement payments for the timeframe of the residency of the unapproved household member(s).

Repayment Time Period

The period in which the retroactive rent balance will be repaid is based on the monthly payments and original retroactive balance.

A minimum monthly repayment of fifty dollars (\$50) will be established for families whose repayment calculation equals less than the minimum repayment. This amount is necessary to recapture the overpayments due to the undisclosed income and help to prevent termination of the family's program participation.

If the family refuses to enter into a repayment agreement or fails to make payments on an existing or a new repayment agreement, the PHA must terminate the family's participation. HUD does not authorize any PHA-sponsored debt forgiveness programs.

In this case if the amount owed exceeds \$25,000, the PHA may demand full repayment of the debt, and refer the case to the Office of Inspector General (OIG) for investigation and possible prosecution.

If the debt resulted from the family's failure to report income and the failure to report income has occurred in at least one other instance, the PHA will seek repayment of the debt and may propose termination due to the repeated violation, regardless of the amount.

Any request to voluntarily move made by the family will not be processed until the repayment agreement is current or the debt is paid in full, unless approved by the Housing Director or designee.

If the family meets all of their family obligations and it is determined the debt resulted from a PHA error, then no adverse action will be taken against the family.

Owner

If an owner has an overpayment and has other HAP Contracts, the overpayment amount will be deducted from the monthly payment. If an owner does not have any other active HAP Contracts, the owner has ten (10) working days from the date of notification to issue a cashier's check or money order for the amount of the overpayment payable to the PHA.

The owner's debt will be submitted to collections if the overpayment has not been paid in full.

B. PROGRAM FRAUD (24 CFR 982.163 and 982.552)

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

- Constitutes a false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and
- Results in payment of HCV Program funds in violation of program requirements.

Repayment for Program Fraud – Families

The PHA may:

- Seek repayment of money owed by families due to program fraud; and
- Review the case to determine future eligibility; and
- Refer the case to HUD Office of Inspector General (OIG) for collection or criminal prosecution, if appropriate.

Repayment for Program Fraud – Owners

If the PHA determines the owner has retained housing assistance or claim payments the owner is not entitled to, the PHA may reclaim the amounts from future housing assistance or claim payments owed by the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, the PHA may:

- Require the owner to pay the amount in full within ten (10) days.
- Pursue collections through a collection agency.
- Restrict the owner from future participation in the HCV Program.

C. WRITING OFF DEBTS

Debts will not be written off unless discharged by a bankruptcy court order.

Chapter 18 COMPLAINTS AND APPEALS

INTRODUCTION

The informal hearing requirements defined in the HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the PHA. This chapter describes the policies, procedures and standards to be used when families disagree with a PHA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of the PHA to ensure that all families have the benefit of all protections due to them under the local, State and Federal law.

A. COMPLAINTS TO THE PHA

The PHA will respond promptly to complaints from families, owners, and members of the public. Complaints will be referred to the appropriate staff. The PHA may request that complaints be submitted in writing. Complaints received relating to non-HCV matters will be routed to the appropriate staff (See Addendum #1 Program Integrity, Section E).

The PHA's informal hearing procedures will be distributed to families in their briefing packets.

B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS (24 CFR 982.554 and 982.54(d)(12))

Informal Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is when an applicant is denied assistance based on citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When the PHA determines an applicant is ineligible for the program, the family will be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible;
- The procedure for requesting a review if the applicant does not agree with the decision, and;
- The time limit for requesting a review.

When a family receives a Notice of Denial based on a criminal conviction record, the PHA will provide the subject of the record and the applicant with a copy of the criminal record (upon submitting written request and providing a photo I.D. to ensure the PHA is maintaining the security of the personal information of the subject of record). The PHA **will not** mail criminal records to any address as it is a security risk. The applicant will be provided an opportunity to dispute the accuracy and relevance of that record.

The PHA must provide applicants with the opportunity for an informal review of decisions denying:

- Issuance of voucher
- Participation in the program

- Assistance under portability procedures
- Non-Citizen Eligibility

Informal reviews are not required for established policies and procedures and PHA determinations such as:

- Discretionary administrative determinations by the PHA,
- General policy issues or class grievances,
- A determination of the family unit size under the PHA subsidy standards,
- A PHA determination not to approve the extension of the voucher term,
- Voucher expiration,
- A PHA determination not to grant approval of the tenancy,
- A PHA determination the rental unit is not in compliance with HQS, or
- A PHA determination the rental unit is not in accordance with occupancy standards/HQS due to family size or composition.

Procedure for Informal Review

Any request for an informal review must be received in writing no later than fifteen (15) days from the date of the PHA's notification of denial. The informal review will normally be scheduled within sixty (60) days from the date the request is received. Late requests may be considered if good cause is provided by the family.

The informal review may be conducted by any person or persons designated by the PHA, other than a person who made or approved the decision under review or a subordinate of that person. (24 CFR 982.554 (b)(1))

The applicant will be given the option of presenting oral or written objections to the decision. (24 CFR 982.552(b)(2)).

Both the PHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within fifteen (15) days after the review. It will include the decision of the reviewer and a brief statement of the reasons for the final decision. In making his or her decision regarding whether to uphold or reverse the PHA's decision, the reviewer will consider all relevant evidence presented at the Informal Review, including live testimony and/or written statements or other documentary evidence presented by the applicant and his or her witnesses (if any).

All requests for a review, supporting documentation and a copy of the final decision will be retained in the family's file for three (3) years.

C. INFORMAL HEARING PROCEDURES (24 CFR 982.555 and 982.54(d)(13))

When the PHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. The PHA will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of the PHA.
- The family's right to an explanation of the basis for the PHA's decision.
- The procedures for requesting an informal hearing (IH) if the family disputes the action or decision.
- The time limit for requesting the IH.
- The name of the staff member to whom the IH request should be directed.
- A copy of the PHA's hearing procedures.

The PHA will provide participants with the opportunity for an informal hearing for decisions related to any of the following PHA determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment.
- Appropriate utility allowance used from schedule.
- Family unit size determination under PHA subsidy standards.
- Determination to terminate assistance for any reason.
- Determinations to terminate a family's Family Self Sufficiency (FSS) Contract, withhold supportive services, or propose forfeiture of the family's escrow account.
- Housing Assistance termination due to having been at zero HAP for 180 days.
- Denial of a reasonable accommodation.

The PHA must provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies and procedures and PHA determinations such as:

- Discretionary administrative determinations by the PHA.
- General policy issues or class grievances.
- Establishment of the PHA schedule of utility allowances for families in the program.
- A PHA determination not to approve an extension or suspension of a voucher term.
- A PHA determination not to approve a unit or lease.
- A PHA determination that an assisted unit is not in compliance with HQS (PHA must provide hearing for family breaches of HQS because that is a family obligation determination).
- A PHA determination the unit is not in accordance with HQS because of the family size.
- A PHA determination to exercise or not exercise any right or remedy against the owner under a HAP Contract.
- Voucher expiration.

Procedure for Requesting an Informal Hearing for Participants

Any request for an appeal must be received in writing no later than fifteen (15) days from the date of the PHA's notification of adverse action. Late requests may be considered if good cause (e.g. medical emergency [not routine or scheduled medical visits]) is provided by the family.

If the participant does not request an informal hearing within fifteen (15) days of the date of written notice, s/he waives his/her right to a hearing, and the PHA's proposed adverse action will become final.

This section in no way constitutes a waiver of the participant's right to contest the PHA's disposition in an appropriate judicial proceeding.

Notification of Informal Hearing

It is the PHA's objective to resolve disputes at the lowest possible level. The PHA will ensure applicants and participants receive all of the protections and rights afforded by the law and the regulations.

When the PHA receives a request for an informal hearing, a hearing will normally be scheduled within fifteen (15) days from the date the request is received. The hearing notice will provide at least fifteen (15) day and 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 (and with appropriate notice to the PHA).
- The right to view any documents or evidence in the possession of the PHA upon which the PHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than three (3) days before the hearing date.
- A notice to the family the PHA will request a copy of any documents or evidence the family will use at the hearing. Requests for such documents or evidence must be received no later than three (3) days before the hearing date.

The PHA's Hearing Process

After a hearing date is scheduled, the family may request to reschedule a hearing 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 the PHA's determination;
- Examine the documentary evidence on which the PHA's action is based;
- Examine the documentary evidence submitted to the Hearing Officer;
- Copy any relevant documents at their expense;

- Present any information or witnesses pertinent to the issue of the hearing, except for new evidence or legal briefs the PHA has not been given at least three (3) full business days to examine (which includes making copies of said documents at the PHA's expense), at PHA offices, prior to the hearing. Such documents should not be left in drop boxes and must be clearly marked as "Hearing Documents." In accordance with 24 CFR 982.555, if the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.
- Request that PHA staff be available or present at the hearing to answer questions relevant to the case; and
- Be represented by legal counsel, advocate, or other designated representative at their expense (and with proper notice to the PHA).

If the family requests copies of documents relevant to the hearing, the PHA will make the copies for the family and assess a reasonable fee. In no case will the family or their representative, including legal counsel, be allowed to remove the original file from the PHA's office. In addition to other rights contained in this chapter, the PHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or other party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have its attorney present; and
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the Hearing Officer appointed by the PHA who is neither the person who made or approved the decision, nor a subordinate of that person. The PHA appoints only qualified hearing officer(s). The hearing shall concern only the issues for which the family has received the opportunity for hearing.

If evidence was available and was not provide prior to the hearing, it may not be introduced at the hearing. "Documents" includes, but is not limited to, records, photos, legal briefs and other documents submitted as evidence, audio and/or video recordings, etc.

Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Evidence not presented at the time of the hearing will not be accepted after the hearing, unless such evidence was unavailable at the time of the hearing due to circumstances beyond either party's control.

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. The hearing may be conducted by mail and/or telephone if acceptable to both parties.

If the family misses an appointment or deadline or is more than 15 minutes late for an appointment, they will be required to show “good cause” for their missed or late appointment (as defined in the Glossary) or the action of the PHA shall take effect and another hearing will not be granted. If the family does not show “good cause” within three (3) days of the missed appointment, the Housing Officer’s decision will stand.

The Hearing Officer will determine whether the action, inaction or decision of the PHA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony presented at the hearing. Factual determinations relating to the individual circumstance of the family will be based on a preponderance of the evidence presented at the hearing.

The Hearing Officer shall provide a written decision based on the findings at the hearing to the PHA and the family within fourteen (14) days and shall include:

- A clear summary of the decision and reasons for the decision.

If the PHA’s decision is upheld, the original Notice of Termination the family received stands with that effective date.

If the PHA’s decision is overturned and the PHA determines they are bound by the Hearing Officer’s decision, a letter to rescind termination will be submitted to the family.

The PHA is not bound by hearing decisions that:

- Concern matter in which the PHA is not required to provide an opportunity for a hearing;
- Conflict with or contradict HUD regulations or requirements;
- Conflict with or contradict Federal, State or local laws; or
- Exceed the authority of the Hearing Officer.

The PHA shall send a letter to the participant if it determines the PHA is not bound by the Hearing Officer’s determination within ten (10) days of the PHA’s receipt date of the decision. The letter shall include the PHA’s reason for the decision.

All requests for hearing, supporting documentation and a copy of the final decision will be retained in the family’s file for three (3) years.

Recordings

Either party may arrange, in advance and at the expense of the party making the arrangement, for a recording of the hearing.

Agreement

The parties may agree in writing to follow a different procedure in the resolution of a grievance.

D. HEARING AND APPEAL PROVISIONS FOR “RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS” (24 CFR Part 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 the PHA hearing is pending, but assistance to an applicant may be delaying pending the PHA hearing.

Department of Homeland Security (DHS) Determination of Ineligibility

If an applicant, participant or any family member declares him or herself to be an eligible immigrant and the status is not verified by the DHS SAVE or manual verification search system, the PHA will notify the head of household. The notice will be in writing and will include:

- The name(s) of the person for whom the eligible immigration status was not verified.
- A statement that their housing assistance will be terminated if they are a current participant.
- A statement of the family’s eligibility for proration for proration of assistance if the application includes eligible and ineligible family members, which is considered a “mixed family.”
- A statement of the eligibility for proration and temporary deferral of assistance, if eligible.
- The right of appeal to the DHS within thirty (30) days of the PHA’s decision and the right to request an informal hearing within ten (10) days of written notice. The family’s right to request an informal hearing with the PHA is in lieu of or subsequent to the DHS appeal.

If the family appeals to the DHS, they must give the PHA a copy of the appeal and proof of mailing or the PHA may proceed to deny or terminate assistance. The time period to request an appeal may be extended by the PHA for good cause.

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 the individual is not eligible, and there are no other eligible family members the PHA will:

- Deny the applicant family.
- Defer termination if the family is a participant and qualifies for deferral.
- Terminate the participant if the family does not qualify the deferral.

If there are eligible member(s) in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible member(s).

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by HUD regulations, that member is treated as ineligible. If all family members fail to provide the required documentation, the family will be denied or terminated for failure to comply.

- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is prorated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on determinations of tenant rent and total tenant payment.
- Families denied or terminated for fraud in connection with the non-citizens rule are entitled to an informal review or hearing in the same way as terminations for any other type of alleged program fraud.
- The PHA will terminate assistance if it is determined a family has knowingly permitted an ineligible person to live in the assisted unit without authorization.

E. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES (24 CFR 982.552(c))

When applicants are denied placement on the wait list or the PHA is terminating assistance, the family will be informed that mitigating circumstances related to the disability of a household member may be considered during the informal review or informal hearing process. Disability status does not affect the Non-Citizenship statute.

Chapter 19 SPECIAL HOUSING TYPES

(24 CFR 982.601)

INTRODUCTION

The PHA will permit the use of the following special housing types in its Housing Choice Voucher Program:

- ✓ Manufactured Homes
- ✓ Manufactured Home Space Rental
- ✓ Homeownership

The PHA will not permit the use of the following special housing types in its Housing Choice Voucher Program except as needed as a reasonable accommodation so the program is readily accessible to a person with disabilities:

- ✓ Single Room Occupancy Housing
- ✓ Group Homes
- ✓ Congregate Housing
- ✓ Shared Housing Cooperative Housing

A. MANUFACTURED HOMES & MANUFACTURED HOME SPACE RENTAL (24 CFR 982.620)

The PHA will permit a family to lease a manufactured home and space with assistance under the program.

The PHA will provide assistance for a family that owns the manufactured home and leases only the space.

For a manufactured home owner who is renting the manufactured space, the monthly housing assistance payment is calculated as the lower of:

- a. The PHA payment standard minus the total tenant payment; or
- b. The rent of the manufactured home space (including other eligible housing expenses) minus the total tenant payment.

The payment standard for the family is the lower of the payment standard amount for the family unit size or the payment standard amount for the size (number of bedrooms) of the manufactured home. (The separate fair market rent (FMR) for a manufactured home space is no longer applicable to establishing the payment standard for a manufactured homeowner who is renting the manufactured home space since the payment is assisting the homeowner with other housing expenses.) The PHA payment standard will be based on the applicable HUD published FMR for the area in which the manufactured home space is located.

The PHA may approve a live-in aide if requested as a reasonable accommodation so the program is accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide must be counted when determining the family unit size.

The rent of the manufactured home space (including other eligible housing expenses) is the total of:

- a. The rent charged for the manufactured home space;
- b. The owner, maintenance and management charges for the space;
- c. The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- d. The applicable allowances for tenant paid utilities.

The PHA must not approve a lease for a manufactured home space until the PHA determines the initial rent to owner for the space is a reasonable rent, and the rent to owner for the space must not exceed a reasonable rent during the assisted tenancy. In addition, the PHA must re-determine the current rent to owner is a reasonable rent at least annually during the assisted tenancy. (24 CFR 982.622(b)(2))

Debt service for setup charges incurred by a family may be included in the monthly amortization payments made by the family but not increased debt service due to refinancing. Set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

If the amount of the monthly assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges), the PHA may pay the remainder to the family, lender or utility company.

Housing Quality Standards (24 CFR 982.621)

A manufactured home must meet all the HQS requirements outlined in the Housing Quality Standards and Inspections" Chapter of this Administrative Plan, and as set forth in 24 CFR 982.401. In addition, the manufactured home also must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.
- A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

Utility Allowance Schedule for Manufactured Home Space Rental (24 CFR 982.624)

The utility allowances are the applicable utility allowances from the PHA utility allowance schedule under 24 CFR 982.517 and 982.624.

B. HOMEOWNERSHIP (24 CFR 982.625-982.643)

Overview

The Housing Choice Voucher (HCV) Program permits eligible participants, including participants with portable vouchers, the option of purchasing a home with their voucher assistance rather than renting.

Eligible families will be current HCV Program participants.

In addition, families may not owe any outstanding debts to the PHA or other Public Housing Authority and must have successfully completed a certified homebuyer training program provided by a recognized HUD homeowner-counseling agency.

Types of Assistance:

The PHA may provide monthly homeownership assistance payments. The monthly homeownership assistance payments will be made directly to the lender.

A family that includes a person who as an adult member of the family that previously received monthly homeownership assistance payments will not be eligible for homeownership assistance for a second time.

Limitation

The homeownership program is limited to 5% of the total HCV Program administered by the PHA in any fiscal year, provided that elderly or disabled families shall not be subject to the 5% annual limitation.

Eligible Types of Homes

The family approved for homeownership assistance may purchase any of the following types of homes anywhere within Carteret County:

- A new or existing single-family or condominium home, including a home in a planned development; or
- Manufactured home to be situated on a privately owned lot or on a leased pad in a mobile home park that is permanently affixed to the land.

The home must already exist or be under construction at the time the family commits to purchasing the unit.

Portability (24 CFR 982.636)

The PHA will allow portability of homeownership assistance to another jurisdiction, provided the receiving jurisdiction is administering a voucher homeownership program and is accepting new

families. The HCV participant will be subject to the HCV Homeownership Program and policies of the receiving jurisdiction.

The PHA will verify the form of homeownership assistance a family was receiving from the initial PHA. If the family includes an adult household member who previously benefited from a homeownership down-payment assistance grant, the family will not be eligible to receive homeownership assistance from this PHA.

Family Eligibility Requirements (24 CFR 982.627)

Participation in the HCV Homeownership Program is voluntary. Each homeownership participant must meet the general requirement for admission to the HCV Program as set forth in the HCV Administrative Plan.

The HCV Program family must also be eligible to participate in the PHA Homeownership Program, as follows:

- Be a first-time Home Buyer;
- Meet minimum income and employment duration requirements;
- Have fully repaid any outstanding debt owed to the PHA;
- Not defaulted on a mortgage securing debt to purchase a home under the homeownership option; and
- Not have any member who has a present ownership interest in a residence at the commencement of homeownership assistance.

First-Time Homeowner

Each HCV Family must be a first-time homeowner, meaning that no member of the household has had an ownership interest in any residence during the three (3) years preceding commencement of homeownership.

A single parent or displaced homemaker who, while married, owned a home with a spouse/partner (or resided in a home owned by a spouse/partner) is considered a “first-time homeowner” for the purpose of the HCV Homeownership Program. A member of a cooperative who has an existing right to purchase through the lease-purchase agreement also qualifies as a first-time homeowner.

A current participant of the homeownership program who exercises the portability option and purchases another with homeownership assistance is not required to meet the definition of a first-time homeowner.

Minimum Income Requirement

At the time the family begins receiving homeownership assistance, the head of household, spouse/partner, and/or other adult household members who will own the home, must have gross annual income of at least equal to the federal minimum hourly wage multiplied by 2,000 hours (e.g. if the federal minimum wage is \$8 per hour, then the family's gross income must be at least \$16,000 per year).

For the purposes of the HCV Homeownership Program only, the PHA will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), food stamps, General Assistance, or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program.

In the case of an elderly person or person with a disability, the PHA will include welfare assistance for the adult family member who will own the home in determining whether the family meets the minimum income requirement.

The determining income-eligibility for admission to the HCV Program, calculation of the family's total tenant payment (TTP), or calculation of the amount of homeownership assistance payments is not affected by this income disregard.

Employment History

Each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed, full-time, at an average of 30 hours per week and has been continuously employed for one year prior to execution of the sales agreement. One thirty-day break in service during the twelve-month period shall be allowed. The employment history requirement does not apply to elderly participants with disabilities (where the head, spouse/partner, or sole member is elderly/disabled).

Repayment of Any PHA Debts

Participants in the HCV Program shall be ineligible for participation in the HCV Homeownership Program in the event any debt or portion of any debt remains owed to the PHA or any other PHA.

Prior Mortgage Defaults

If the head of household, spouse/partner or other adult household member who will execute the contract of sale, mortgage, or other loan documents has previously defaulted on a mortgage obtained through the HCV Homeownership Program, the family will be ineligible to participate in the homeownership program. Default shall be declared when an adult household member

does not fulfill his/her mortgage obligation(s) in a timely manner or vacates the premises without making suitable arrangements with the lender(s) and the PHA>

Family Participation Requirements

Once a family is determined to be eligible to participate in the program, they must comply with the following additional requirements:

- Have been a participant of the HCV Program for, a minimum, of one year;
- Complete a homeownership counseling program approved by the PHA prior to issuance of a homeownership voucher;
- Locate the home the family proposes to purchase within a specified time frame;
- Submit a sales agreement containing specific components to the PHA for approval;
- All the PHA to inspect the proposed homeownership dwelling to assure that it meets Housing Quality Standards (HQS);
- Obtain an independent inspection whereby the inspector is licensed and certified to evaluate major building systems and components;
- Obtain PHA approval of the proposed mortgage;
- Enter into a written agreement with the PHA to comply with all of its obligations under the HCV Program, including the Homeownership Option; and
- Use a real estate professional.

Homeownership Counseling Program

A family's participation in the homeownership program is conditioned on the family attending and successfully completing a homeownership and housing counseling program approved by the PHA prior to commencement of homeownership assistance.

The homeownership and counseling program will cover home maintenance, budgeting and money management, credit counseling, negotiating purchase price, securing mortgage financing while avoiding predatory lenders, finding a home, fair housing issues, and the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families.

The PHA may require families to participate in a PHA-approved homeownership counseling program on an ongoing basis.

Locating and Purchasing a Home

A Homeownership Program Voucher will be issued when the family has met all eligibility requirements, including completing the approved homeownership counseling program and pre-approval of a mortgage loan from a lender. From the time the homeownership voucher is issued, the family will have six months to locate a home to purchase. A home shall be considered if the family submits a proposed sales agreement with the requisite components to the PHA. If a

suitable home to purchase is not located within six months, the voucher shall expire. If the family had entered into a contract to purchase but the renovation or construction is not complete within the six month period, the voucher will be extended by the length of time necessary to compensate for any such construction delay beyond the control of the participant.

The family may convert their Homeownership voucher to a rental voucher at any time during the original six-month period.

Homeownership voucher holders whose assistance expires must wait one year before reapplying to the Homeownership program.

Lease-Purchase

Families may enter into lease-purchase agreements while receiving HCV assistance. All requirements of the HCV Program apply to lease-purchase agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase-related expenses – a homeownership premium. Any homeownership premium, defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from PHA rent reasonableness and subsidy calculation, and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must apply for the homeownership option. If determined eligible for homeownership assistance, the family may be admitted to the homeownership program and must meet all the requirements. Such families may be allowed to expedite their counseling requirement in light of their more abbreviated home search.

Sales Agreement

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the PHA for approval. The sales agreement must provide for inspection by the PHA and the required independent inspection, and the purchaser is not obligated to purchase unless such inspections are satisfactory to the PHA. The contract must provide for at least a one year home warranty. The contract must also provide the purchaser is not obligated to purchase if the mortgage finance terms are not approved by the PHA. It must also contain a seller certification the seller is not debarred, suspended, or subject to a limited denial of participation under 2 CFR Part 2424.

Required Inspections

To assure the home complies with the housing quality standards of the HCV Program, homeownership assistance payments may not commence until the PHA first inspects the home. The PHA inspection shall be the initial response to receipt of a sales agreement.

An independent inspection of existing homes covering major building systems also must be completed by a professional selected by the family and approved by the PHA. The independent

inspection report must be provided to the PHA. The PHA may disapprove the unit due to information contained in the report or for failure to meet HQS.

Financing Requirements

The proposed financing terms must be submitted to and approved by the PHA prior to close of escrow. Balloon payments and loans that demonstrate predatory practices will not be approved.

Requests to obtain financing for a Home Equity loan will not be approved by the PHA.

The PHA will only approve a request to refinance for the following reasons:

- To allow the homeowner to take advantage of a lower interest rate.
- To allow the homeowner to make necessary major repairs. The amount of cash out to make the repair shall not exceed 2% of the initial loan amount.

All financing changes must be pre-approved by the PHA. Violations may result in termination of the Homeownership voucher.

Compliance with Family Obligations

A family must agree in writing to comply with all family obligations under the HCV Program and PHA homeownership policies. The obligations include (but are not limited to) the following:

- Any information the family supplies must be true and correct.
- The family must disclose and verify social security numbers and employer identification numbers, sign and submit consent forms for obtaining information and supply any other information the PHA or HUD determines to be necessary.
- Submit PHA-required reports on the family's progress in finding and purchasing a home.
- Attend and satisfactorily complete any PHA-required homeownership and housing counseling.
- Select and pay for a pre-purchase inspection by an independent professional inspector.
- Enter into a contract of sale with the seller of the unit and promptly provide a copy of that contract of sale to the PHA.
- Obtain and maintain flood insurance for homes in special flood hazard areas.
- Comply with the terms of any mortgage securing debt incurred to purchase the home.
- Promptly notify the PHA in writing when: the family moves away from the home for an extended period of time in accordance with PHA policies; or before the family moves out.
- Allow only PHA-approved family members, live-in aides or foster child(ren) to live in the home.
- Promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child, and request the PHA's written approval to add any other family member as an occupant of the home. Promptly notify the PHA in writing if any family member no longer lives in the home.
- Supply any information required by the PHA or HUD concerning any:

- Mortgage or other debt and information on any satisfaction or payment of the mortgage debt;
- Any sale or other transfer of any interest in the home; or
- The family's homeownership expenses.
- Promptly notify the PHA in writing if the family defaults on a mortgage securing any debt incurred to purchase the home.
- Refrain from committing fraud, bribery or any other corrupt or criminal acts in connection with any Federal housing program.
- Refrain from engaging in drug-related criminal activity or violent criminal activity.
- Refrain from leasing, subletting/subleasing, transferring or conveying the home except to grant a mortgage on the home for debt incurred to finance the purchase of the home.
- Refrain from receiving homeownership assistance while receiving any other housing subsidy for the same home or a different unit under any Federal, State or local housing assistance program.
- Comply with any additional PHA requirements for family search and purchase of a home and continuation of homeownership assistance for the family.

Amount of Assistance

The amount of the monthly housing assistance payment (HAP) will be based on three factors:

- The voucher payment standard for which the family is eligible;
- The monthly homeownership expense; and
- The family's household income

The PHA will pay the lower of either the payment standard minus the total tenant payment (TTP) or the family's monthly homeownership expenses minus the TTP. The HCV family will pay the difference.

Determining the Payment Standard

The payment standard used at the annual reexamination is the higher of the current payment standard that would otherwise apply to the family or the payment standard amount used for the family at the commencement of its homeownership assistance.

The PHA establishes the payment standard at the commencement of the assistance by using the lower of the payment standard of the family unit size or the payment standard for the size of the home. The payment standard amount may increase for the family in the particular unit, but the payment standard will never decrease below the initial amount applicable to the family when the homeownership commenced.

Determining Monthly Home Ownership Expense

Monthly homeownership expense includes all of the following:

- Principal and interest on the initial mortgage and any Mortgage Insurance Payment (MIP) incurred to finance the purchase and any refinancing of such debt;
- Real estate taxes and public assessments;
- Homeowner's insurance;
- Maintenance expenses per PHA allowance;
- Costs of major repairs and replacements per PHA allowance (replacement reserves);
- Utility allowance per PHA's schedule of utility allowance;
- Principal and interest on mortgage debt incurred to finance major repairs;
- Replacements or improvements for the home, including changes needed to make the home accessible; and
- Homeowner association (HOA) dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include PHA approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home, principal and interest on initial debt incurred to finance purchases of cooperative membership shares and refinancing of such debt, home insurance, allowances for maintenance expenses, major repairs and replacements and utilities, and principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

Determining the Family Contribution

The Total Family Contribution (TFC) is that portion of the homeownership expense the family must pay. TFC is generally 30% of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance for which the family is eligible.

At year eleven (11) of the homeownership participation, the PHA will consider the value of the home as an asset in determining the family's annual income and the household's contribution.

Payment to the Family or Lender

The PHA will make the housing assistance payment directly to the lender. Alternative arrangements may be made on an emergency basis at the discretion of the Housing Director.

Buying Another Home with Housing Choice Voucher Homeownership Assistance

This program is for one-time assistance only. The family will not be eligible for another HCV Homeownership voucher.

Maximum Term of Homeownership Assistance/Time Limits (24 CFR 982.634)

The maximum terms during which a family can receive homeownership assistance are:

- 15 years if the initial mortgage has a term of 20 years or longer.
- 10 years in all other cases.

Time limit applies from the initial purchase, regardless of whether the family moves to a new unit.

Time limits do not apply to elderly and disabled families. The family must be considered an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies at any time during receipt of homeownership assistance the family qualifies as a disabled family.

Grounds for Termination of Homeownership Assistance

A family's homeownership assistance may be terminated if the family fails to comply with its obligations under the HCV Program, PHA homeownership policies, or if the family defaults on the mortgage. Additional grounds for termination are met when the family fails to:

- Attend and complete ongoing homeownership and housing counseling classes.
- Comply with the terms of any mortgage incurred to purchase and/or refinance the home.
- Provide the PHA with a 30-day written notice of: any sale or transfer of any interest in the home (including a short sale or foreclosure), any plan to move out of the home prior to the move, the family's household income and homeownership expenses on an annual basis, any notice of mortgage default received by the family, any loan modification or refinancing contracts, and any other notices that may be required pursuant to the PHA homeownership policies. Except as otherwise provided in this section, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the PHA will terminate homeownership assistance beginning the month after the family moves out. Neither the family nor the lender is obligated to reimburse the PHA for homeownership assistance paid for the month the family moves out.

A participant in the HCV Homeownership Program shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of the HCV Program.

Recapture of Assistance

The PHA will not impose or enforce any requirement for recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership program.

Default and Continued Participation in the Housing Choice Voucher Program

The PHA is required to terminate homeownership voucher assistance for a family that defaults on a mortgage loan and is dispossessed from the home under a judgment or order of foreclosure.

If the mortgage loan is not insured by FHA, the PHA will not allow the family to move to a new unit with rental assistance.

If the family defaults on a mortgage insured by FHA, the PHA may not approve rental assistance for the family unless the family has both:

- Conveyed title to the home, as required by HUD, to HUD or HUD's designee; and
- Moved from the home within the period established or approved by HUD.

Administrative Fee

For each month that homeownership assistance is paid by the PHA on behalf of the family, the PHA shall be paid the ongoing administrative fee described in 24 CFR 982.152(b).

Program Changes

The Housing Director shall have the discretion to waive or modify any provision of the HCV Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

Mortgage Defaults: the PHA may permit the family to move with continued homeownership assistance if the default is due to catastrophic medical reasons or to the impact of a federally declared disaster.

C. SINGLE ROOM OCCUPANCY (24 CFR 982.602)

The PHA will use a separate lease and housing assistance payment contract for each assisted person residing in an SRO unit. (24 CFR 982.603)

SRO Rent and Housing Assistance Payment (24 CFR 982.604)

The PHA's SRO payment standard is seventy-five percent (75%) of the zero bedroom payment standard schedule. For a person residing in an exception area, the payment standard is seventy-five percent (75%) of the HUD-approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

Utility Allowance

The utility allowance for an assisted person residing in SRO housing is seventy-five percent (75%) of the zero bedroom utility allowance.

Housing Quality Standards

The PHA will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605. However, since SRO units are not intended to house children, the lead-based paint standards do not apply to SRO housing.

D. CONGREGATE HOUSING (24 CFR 982.606)

Eligible Congregate Housing Services Program (CHSP) services assist the elderly, non-elderly people with disabilities, and temporarily disabled individuals to live independently and prevent premature or unnecessary institutionalizations. Congregate Housing is a Project-Based rather than a Tenant-Based program.

The PHA may approve a family member or a live-in aide to reside with an elderly person or a person with disabilities.

The PHA may approve a live-in aide for an individual with disabilities if needed as a reasonable accommodation so the program is readily accessible to and usable by persons with disabilities.

Congregate Housing Lease and HAP Contract (24 CFR 982.607)

For congregate housing there will be a separate lease and HAP Contract for each assisted family. Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on the PHA payment standard schedule.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family residing in a congregate housing unit is the one-bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

Housing Quality Standards

The PHA will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

E. GROUP HOMES (24 CFR 982.610-982.614)

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department.

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by the PHA, a live-in aide may reside in the unit with an elderly person or a person with disabilities as a reasonable accommodation if requested by individuals with disabilities.

The PHA will approve a live-in aide if needed as a reasonable accommodation so the program is readily accessible to and usable by persons with disabilities. The live-in aide must have the approval of the PHA prior to residing in the unit. The PHA's Reasonable Accommodation Committee will make the decision regarding whether to grant the request for a live-in aide as a reasonable accommodation.

The PHA will not approve assistance for a person to live in a group home if documentation in the individual's file indicates the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

Group Home Lease and HAP Contract (24 CFR 982.611)

There will be a separate HAP Contract and lease for each assisted person living in a group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

Group Home Rent and HAP Contract (24 CFR 982.613)

The rent to the owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

Meaning of pro-rata portion: for a group home, the term "pro-rata portion" means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the group home size. The prorated share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The reasonable rent for a group home is determined in accordance with 24 CFR 982.503. In determining reasonable rent the PHA will consider whether sanitary facilities and facilities for food preparation and service, are common or private.

Maximum Subsidy

Unless there is a live-in aide, the family voucher size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family voucher size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family voucher size or the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.

Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size or the authorized voucher size, whichever is less.

Housing Quality Standards

The PHA will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

F. SHARED HOUSING (24 CFR 982.615)

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. An assisted family may share a unit with other persons assisted under the HCV Program or with other unassisted persons.

Occupancy

In sharing housing, the unit may be a house or an apartment. A zero or one bedroom unit may not be used for shared housing.

The PHA may also approve a live-in aide to reside with a family in order to provide care for a person with a disability. The PHA will approve a live-in aide if needed as a reasonable accommodation so the program is readily accessible to and usable by persons with disabilities. The live-in aide must have the approval of the PHA prior to moving into the unit.

The owner of a shared housing unit may reside in the unit as long as the owner is not related to the tenant. The PHA will not approve shared-housing for a person or family who is related by blood, marriage or adoption to a resident owner, even as a reasonable accommodation.

A resident owner may enter into a HAP Contract with the PHA for the tenant to reside in the shared-housing unit. However, the owner's occupancy in the shared-housing unit will not be subsidized.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared-housing unit.

Rent and HAP Contract

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five bedroom unit, the ration would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set forth in the "Owner Rents, Rent Reasonableness, and Payment Standards" in Chapter 11 of this Administrative Plan.

Maximum Subsidy

For a family residing in a shared housing unit the payment standard is the lower of:

- The payment standard for the voucher size for which the family is eligible, or
- The pro-rata payment standard for the unit size the family has selected.

If the PHA approves a live-in aide as a reasonable accommodation for a participant with disabilities, the live-in aide will be counted in determining the family unit size.

Utility Allowance (24 CFR 982.617(d))

The utility allowance for an assisted family residing in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

Housing Quality Standards

The PHA will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

G. COOPERATIVE HOUSING (24 CFR 982.619)

The PHA will approve a family living in cooperative housing if it determines that assistance under the program will help maintain affordability of the cooperative unit for low-income families. The PHA will not approve assistance for a family in cooperative housing until the PHA has also

determined the cooperative housing has adopted requirements to maintain continued affordability of low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with "Owner Rents, Rent Reasonableness, and Payment Standards" in Chapter 11 of this Administrative Plan. For cooperative housing, the rent to the owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperatives debt services, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility.

For a cooperative, rent adjustments are applied to the carrying charge as determined in "Owner Rents, Rent Reasonableness, and Payment Standards" in Chapter 11 of this Administrative Plan.

The lease and other appropriate documents will stipulate the monthly carrying charge is subject to HCV Program limitations on rent to the owner. The housing assistance payment will be determined in accordance with the guidelines in "Owner Rents, Rent Reasonableness, and Payment Standards" in Chapter 11 of this Administrative Plan.

The PHA may approve a live-in aide to reside with the family as a reasonable accommodation to provide care for a person with disabilities. The PHA will approve a live-in aide if needed as a reasonable accommodation so the program is readily accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

The live-in aide must have the approval of the PHA before moving into the unit.

Housing Quality Standards

The PHA will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in "Housing Quality Standards and Inspections" in Chapter 10 of this Administrative Plan and set forth in 24 CFR 982.401.

Chapter 20 PROGRAM INTEGRITY

INTRODUCTION

This chapter covers HUD and PHA policies designed to detect, investigate, resolve, and prevent instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

The PHA is committed to assuring 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. The PHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will the PHA undertake an inquiry or an audit of a participating family arbitrarily. The PHA's expectation is that participating families will comply with all rules and requirements of the program. The PHA staff will make every effort to educate all families in order to avoid unintentional program violations. The PHA has a responsibility to HUD, to the community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and to investigate reports of possible abuse.

The PHA will initiate an investigation and any subsequent follow-up of a participating family only in the event that one or more of the following circumstances occur:

- ✓ Referrals, complaints, or tips from other agencies, companies or persons that are received by mail, by telephone, through CCA, Inc. website, or through e-mail alleging that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. If available, a copy of the allegations will be retained in the family's file.
- ✓ Internal file review reveals information, documents, reports or facts that conflict with file data, the PHA's knowledge about the family, or statements made by the family.
- ✓ The PHA receives independent verification or documentation that conflicts with representations in the family's file.

B. EXAMPLES OF FRAUD AND PROGRAM ABUSE

An applicant, participant, or owner in the HCV Program must not knowingly:

- Make a false statement to the PHA;
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- Pay or accept rent amounts over the amount authorized by the PHA;
- Offer bribes or illegal gratuities to the PHA (CCA, Inc.) Board of Directors, employees, contractors, owners, third parties, or other PHA representatives;
- Offer payments or other incentives to any third party as an inducement to make false or misleading statements to the PHA on the family's behalf;

- Use a false name;
- Use falsified, forged or altered documents;
- Misreport family information or circumstances (e.g. income, family composition); or,
- Omit facts that were known by a family member (e.g. failing to report employment income).

C. STEPS THE PHA WILL TAKE TO MAINTAIN PROGRAM INTEGRITY

The PHA staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants, participating families, and owners. The PHA staff will maintain a high level of awareness to indicators of possible abuse and fraud by program participants. In determining fraud, the PHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by program participants.

The PHA will:

Educate Program Applicants and Participants

- Provide applicants and participants with information that explains the types of action a family must take to avoid committing fraud and the penalties for program abuse;
- Conduct mandatory briefing sessions for all prospective program participants, either prior to or upon issuance of a voucher;
- Include a warning statement about the penalties for fraud on key PHA forms and form letters that request information from family or owner; and
- Post informative signage in the CCA, Inc. Admin Office lobby to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Perform Quality Control File Reviews

PHA Housing Director will review caseworker files to ensure that:

- Verifications of all income have been submitted in accordance with guidelines. (Refer to Chapter 7 of the Administrative Plan, Section A, Methods of Verification and Time Allowed).
- All allowable deductions are documented (Refer to Chapter 7 of Administrative Plan, Section H, Verifications of Allowable Deductions from Income).
- Adjusted income is calculated correctly.
- File documents are authentic.
- All forms are correctly dated and signed.

Utilize Enterprise Income Verification

The Enterprise Income Verification (EIV) HUD system will be used by authorized staff to validate tenant-reported income and to supplement tenant-provided documents.

Observation of File Date Integrity

The PHA staff will maintain awareness of circumstances that may indicate program abuse or fraud. The PHA will provide continuous training to staff regarding program rules and regulations.

Confidentiality of Criminal History Background Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal records will be housed in a secured location with access restricted to individuals responsible for such screening while needed by staff for screening for criminal behavior. Misuse of the above information by any employee may be grounds for termination of employment.

If the family is determined eligible for initial or continued assistance, the PHA's copy of the criminal record will be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family's assistance is denied or terminated, the criminal record information will be shredded immediately upon completion of the informal review or informal hearing, issuance of the final decision, and expiration of any appeal deadline.

The PHA will document in the family's file the family was denied admission or the tenancy was terminated due to findings in the criminal history record.

D. HOW THE PHA WILL INVESTIGATE ALLEGATIONS OF FRAUD AND PROGRAM ABUSE

If the PHA 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. As appropriate, the PHA will secure the written authorization from the program participant for the release of information. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the following:

- Contact employers or ex-employers to verify wages that may have been previously undisclosed or misreported;
- Interview neighbors and/or other witnesses who are believed to have knowledge of facts pertaining to the PHA's review. In such instances, the client's privacy will be protected by the PHA;
- Contact investigators, caseworkers or representatives of other benefit agencies;
- Review public records kept in any jurisdictional courthouse such as real estate, marriage, divorce, court or police records, and postal records;

- Investigate allegations against a participant/applicant or owner. This review will consist of an internal review of the file or information received to determine the nature of the allegation(s). A determination will be made whether or not the information reported has been previously disclosed to the PHA. The PHA will make a determination as to which is the most appropriate authority to perform any follow-up investigation;
- Conduct a Mandatory Tenant Conference (MTC) to exchange information regarding the allegation(s) with the head of household and/or adult member(s) of the family; and/or
- Contact current and/or previous landlords or housing providers.

Mandatory Tenant Conference for Allegations of Violations and Misrepresentations

When the PHA suspects that misrepresentation(s) may have occurred, a mandatory tenant conference may be scheduled with the family representative and a PHA staff person who is knowledgeable about the circumstances of the case.

This MTC will take place prior to any proposed action by the PHA. The purpose of this fact-finding interview is to:

- Review the information obtained by the PHA with the participant;
- Provide the participant an opportunity to explain any documents or other findings that conflict with representations made by the family;
- Consider any new information, documents or relevant or mitigating circumstance presented by the family; and
- Assist the PHA in determining the course of action most appropriate for the case.

E. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud);
- The seriousness of the offense;
- Whether the violation was intentional or unintentional;
- What amount of money (if any) is owed by the family or owner;
- Whether the family and/or owner are eligible for continued program participation.

Procedures For Documented Violations

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation.

A warning notice may be mailed to the family if the family is found to be in violation of PHA procedure, policy and/or family obligation. This notice will include the following:

- A description of the alleged abuse or fraudulent activity;
- The corrective action to be taken by the family or PHA to remedy the situation;

- The date by which the violation must be corrected or the procedure complied with;
- The action, the PHA will take if the procedure or obligation is not complied with by the date specified by the PHA; and
- The consequences of repeated (similar) violations.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE PHA

Documents and other evidence obtained by the PHA during the course of an investigation will be considered “work product” and will either be kept in the participant’s file, or in a separate “work file.” In either case, the participant’s file or work fill shall be kept in a secured area. Such cases under review will not be discussed among PHA staff unless they are involved in the process, or have information which may assist in the investigation. Any notes or documents taken or made by the staff person investigating the case will remain internal work product. Any and all communications, documents, notes, recordings, etc. between the PHA’s legal counsel and the staff person investigating the case are attorney-client privileged, confidential, and not subject to disclosure.

G. CONCLUSION OF THE PHA’S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to appropriate PHA staff. It will then be determined what action, if any, is appropriate.

Penalties For Program Abuse

In the case of program abuse caused by a family, the PHA may impose any of the following remedies:

- Require the family to repay excess subsidy amounts paid by the PHA within sixty (60) days;
- Require, as a condition of continuing assistance, that a culpable family member not reside in the unit;
- Deny or terminate the family’s assistance; and/or
- Refer the family for State or Federal criminal prosecution.

Family Reimbursement to PHA

In the case of the family-caused errors or program abuse, the family will be required to repay any excess subsidy received and/or be terminated. See Administrative Plan, Chapter 17, Debts to the PHA.

Notification to Participant of Proposed Action

The PHA will provide written notification to the family of the proposed action no later than thirty (30) days after the MTC.

At the conclusion of the investigative review, the reviewer will report the findings to appropriate PHA staff. It will then be determined what action, if any, is appropriate.

Prohibited Activities

Any of the following will be considered evidence of program abuse by PHA staff:

- Violating any HCV Program requirements for the purpose of personal gain;
- Violating any HCV Program requirement because of a conflict of interest relationship with any applicant, participant, or owner;
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the PHA;
- Disclosure of confidential information to outside parties;
- Profiting as a result of insider knowledge of PHA activities, policies, or practices;
- Misusing HCV funds;
- Destroying, concealing, removing, or inappropriately using any records related to the HCV Program;
- Embezzling and falsifying accounts; or
- Committing any other corrupt or criminal act in connection with any Federal housing program.

The Consequences of Rule Violations

Any violation of prohibited activities shall be addressed as specified in the PHA's personnel policies.

H. FRAUD AND/OR MISREPRESENTATION COMMITTED BY A PERSON OR GROUP

The PHA may refuse to conduct business in any capacity with the individual or group that has engaged in activities including, but not limited to, misrepresentation, duplicitous activity, fraud, or is complicit in any such activity related to business with the PHA.

Chapter 21 REASONABLE ACCOMMODATION POLICY AND PROCEDURES

A. FAIR HOUSING POLICY

It is the policy of this PHA to fully comply with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

The PHA shall not deny any family or individual the opportunity to apply for or receive assistance under the HCV Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, sexual orientation, or gender identity.

To affirmatively further Fair Housing, the PHA has a commitment to full compliance with applicable civil rights laws. The PHA will provide Federal/State/local information to voucher holders regarding discrimination and any recourse available to them should become victims of discrimination. Such information will be made available during the family briefing session and placed in their briefing packet. It will include information for applicants on how to file a fair housing complaint, including the provision of the toll-free number for the Fair Housing Complaint Hotline, 1-800-669-9777, and the Federal Relay Service at 1-800-887-8339.

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, excluded from participation in, or otherwise be subjected to discrimination because the PHA's facilities are inaccessible to or unusable by persons with disabilities.

Posters and housing information are displayed in locations throughout the PHA's offices in such a manner as to be easily readable from a wheelchair.

The offices of the HCV Program are accessible to persons with disabilities. Accessibility for the hearing impaired is provided via 711, a free relay service.

The PHA will provide and review information regarding fair housing rights and responsibilities during family briefing sessions.

B. REASONABLE ACCOMMODATION POLICY

This policy is applicable to all situations described in this Administrative Plan, including but not limited to when a family initiates contact with the PHA, when the PHA initiates contact with a family, including when a family applies, during residency and when the PHA schedules or reschedules appointments.

An applicant or a participant with a disability must first request an accommodation before the PHA will deviate from standard practice. Most requests will be reviewed by the Reasonable Accommodation Compliance PHA staff member.

The PHA's policies and practices are intended to afford persons with disabilities 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. To request a reasonable accommodation due to a disability, an applicant or participant must qualify under the following Americans with Disabilities Act (ADA) definition of disability:

- Have a physical or mental impairment that limits one or more of the major life activities of an individual;
- Have a record of such impairment; or
- Be regarded as having such impairment.

The PHA will fully comply with the obligations found in HUD PIH 2010-26(HA) and PIH 2006-13 (HA) [Non-Discrimination and Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the American with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988].

The term "individual with disabilities" is referenced in 24 CFR 9.103(2).

Methods Used to Certify a Person with a Disability and the Need for a Reasonable Accommodation

To verify that an applicant or participant is a person with disability, the PHA staff will first check to see whether the applicant or participant is under the age of 62 and receives either Social Security or SSI disability income or other disability-based income.

Some applicants or participants may be person with disabilities even though they do not have such income. In these cases, a verification form will be sent to a qualified professional having knowledge of the person's disability who can verify the person's status.

The PHA staff will work with the individual to determine the least intrusive or restrictive means for certifying a disability.

Once the individual's disabled status is established, a professional third-party, competent to make an assessment, must provide written verification the specific accommodation requested is due to the disability and the specific change is required for equal access to the housing program.

In order to appropriately review some requests (such as when a family requests an additional bedroom for medical equipment) a home visit may be conducted by the PHA. The PHA will provide a written decision to the person requesting the accommodation within a reasonable time. The PHA will engage in an interactive process before denial. When the request for accommodation is denied, the denial letter will indicate the applicant or participant may contact staff to discuss alternative modifications. Additionally, the applicant or participant may submit another request for accommodation at any time. If a person is denied the accommodation or

feels the alternative suggestions are inadequate, they may request an informal hearing (which serves as a grievance hearing) to appeal the PHA's decision (please see Chapter 18 of the Administrative Plan).

A reasonable accommodation will be made for persons with a disability who requires an advocate. A designee will be allowed to provide information with the written permission of the person with the disability.

Reasonable accommodations will be made for person requesting PHA mailings to be available in an accessible format.

Undue Hardship

A request for a reasonable accommodation for a person with a disability will be granted upon verification. The Reasonable Accommodation Compliance PHA staff member will review the request to ensure the request will meet a need and does not create an undue financial or administrative burden on the PHA. The PHA may deny the request and/or present an alternate accommodation that will still meet the need of the person. Prior to the decision, the RAC PHA staff member or the Receiver should interact with the requester.

An undue administrative burden is one that would require a fundamental alteration of the essential functions of the PHA or would pose a severe financial hardship on the PHA.

In determining whether an accommodation would create an undue hardship, the following guidelines will apply:

- The nature and cost of the accommodation needed;
- The overall current financial resources of the facility or facilities; and
- The number of persons currently employed at such facility;
- The number of families likely to currently need such accommodation;
- The effect on expenses and resources, or
- The likely impact on the operation of the facility as a result of the proposed accommodation.

C. PROCEDURE FOR PROCESSING REQUESTS FOR REASONABLE ACCOMMODATION OF DISABILITIES

This procedure establishes a framework for the receipt, processing, and final disposition of informal and formal client reasonable accommodation requests. While individual requests may require special handling, these guidelines are to be followed whenever possible. Proper documentation and tracking for each step in the process is essential.

As part of the briefing process, the family will be given an explanation of the process for requesting a reasonable accommodation which is distributed to families at initial intake and at annual re-certifications.

Informal Reasonable Accommodation Requests

When a client requests an accommodation which appears, on its face, to be reasonable in relation to the client's visible disability, staff should handle the request informally. "Informally," means the request can be granted with only supervisory review and approval, without first submitting it to the RAC PHA staff member for review (the review will take place after the fact).

Informal reasonable accommodation requests may be granted expeditiously. Annual approvals for informal requests for reasonable accommodations will not be required during subsequent re-certifications. However, the PHA retains the right to re-evaluate the need for the RA at any time. The case worker will then require third party verification in order to verify the need for the RA>

Some examples of disabilities that may fit the informal approval procedure include:

- A person with quadriplegia requesting an additional bedroom for an existing live-in aide. The client's self-certification and the case worker's observations are sufficient to informally grant the reasonable accommodation request when there is a nexus between the observed disability and the requested reasonable accommodation.
- Increases in the Payment Standard up to 120% of the FMR to accommodate disabled residents' higher cost for housing that meets particular needs, when those particular needs are visible.
- A visible disability or impairment which would require an accommodation wherein business will be conducted over the telephone, by home visits, or by other means not involving trips to the office.

The processing of Informal Reasonable Accommodation requests should be done promptly to reduce the time the client must wait to obtain their reasonable accommodation. When possible, housing staff should immediately begin the process of securing the requested reasonable accommodation.

Informal handling of Reasonable Accommodation requests should not be used as a "shortcut" to third party verification. If the disability is not visible, then it should be put through the formal process.

The RAC PHA staff member shall review each reasonable accommodation request within a timely fashion (no more than 14 business days from the date of the request) to determine whether informal reviews are being utilized appropriately and communicate any adjustments to staff that may be necessary for efficient and proper handling of these requests.

Formal Reasonable Accommodation Requests

Formal processing of reasonable accommodation requests is required when:

- The disability and/or the need for a specific accommodation is not visible; or
- It is not clear how the requested accommodation is related to the disability; or
- The reasonable accommodation is unreasonable, cost prohibitive, or approval at the informal level is uncertain.

In these cases, a formal Reasonable Accommodation request must be submitted for the review of the RAC PHA staff member.

Step 1: Client Request for Reasonable Accommodation Due to Disability

Upon a client's request for a reasonable accommodation for a disability, staff should immediately recommend the client complete the Reasonable Accommodation Form. This form will provide the information needed to identify the client, specify their requested accommodation, and authorize their health care or other qualified professional to release information needed to properly verify the client's need for the accommodation they are requesting.

The form must be returned to the office so the PHA staff can fax the form to the qualified professional. This will help to maintain the integrity of the third party verification process that is central to the formal reasonable accommodation process.

If a current letter is received from a qualified professional requesting a reasonable accommodation that provides all the relevant information, the letter can be accepted as an option for the standard form.

Step 2: Staff Action on the Request

Once the completed form is received, staff will review the form for completeness and work with the client to clarify the request as needed. Staff will ensure all appropriate information is provided. The client will be provided with a copy of the form if requested.

Staff shall send via fax the Reasonable Accommodation Form to the qualified professional identified by the client. Housing staff should advise the client to contact the qualified professional to encourage their participation and cooperation in the timely processing of their reasonable accommodation request.

Staff will send the Reasonable Accommodation Form with verification of submission of fax to professional to the RAC PHA staff member no later than the end of the next business day after faxing.

Step 3: Front End Processing Responsibility and Role of the RAC PHA Staff Member

The RAC PHA staff member will ensure receipt of returned, completed form from qualified professional, and respond to status questions from clients or process questions from qualified professional.

The RAC PHA staff member reviews all completed reasonable accommodation requests within fourteen (14) business days.

The RAC PHA staff member shall review and evaluate the requested accommodations in light of the provider's verification of disability-related need and recommendations as to the needs for reasonable accommodations.

If the information submitted by the health provider is incomplete, the RAC PHA staff member may follow up to request additional information or clarification.

The RAC PHA staff member shall also review the *Informal Requests for Reasonable Accommodations* and maintain documentation of these decisions.

The RAC PHA staff member shall determine whether the reasonable accommodation request is:

- Approved; or
- Disapproved

The RAC PHA staff member may also work interactively with the family to obtain additional information or to look at other alternatives through an interactive process before making a decision.

The RAC PHA staff member is also the HUD Section 504 Coordinator for the PHA.

Step 4: Client Communication and the Interactive Process

In the event the qualified provider specified in the Reasonable Accommodation Form is non-responsive for twenty-one (21) calendar days, a void letter shall be issued saying that no response has been received from the specified provider. The void letter shall specify that any additional information will be considered.

In those cases where an evaluation of the qualified provider's recommendation indicates an alternate accommodation may be similarly effective, and based on the RAC PHA staff member recommendation, the Reasonable Accommodation Receiver, or designated staff, may engage in an interactive process with the client. This negotiation attempts to reach agreement between the original request and an alternate accommodation that would effectively address the disability-related need as stated by the provider. Note the client must voluntarily agree to an alternate accommodation.

If an alternate accommodation is agreed to, the Reasonable Accommodation Receiver (or designee) will inform the RAC PHA staff member at the next meeting and the alternate accommodation is documented.

The interactive process may also be utilized when the RAC PHA staff member needs additional information or the requested accommodation is not clear. In any case, whenever the RA PHA staff member has complete information from the qualified provider, the RAC PHA staff member will make a decision; either to approve or to deny the request and must communicate this decision in writing to the family.

When requests are made for an additional bedroom for medical equipment, a home visit may be scheduled to evaluate the size and quantity of the equipment to be accommodated.

Staff will provide a copy of the forms completed by the qualified professional if requested by the family.

Step 5: Completing the Reasonable Accommodation Process

When reviewing the information submitted, the RAC PHA staff member is looking for a nexus between the requested accommodation and the disability-related need. The purpose of granting the accommodation is to either allow a disabled person access to the program or to allow a disabled person to obtain all of the same benefits of program participation as a non-disabled person.

The completed documentation shall be securely maintain in the office of the RAC PHA staff member and shall be separate from the client files.

When the decision is made, the applicant or participant will receive a letter granting or denying the reasonable accommodation. The PHA staff (case manager) will receive a memo to retain in the client file stating approval or disapproval of the reasonable accommodation.

Step 6: No Subsequent Third Party Verification for Formal Requests

No further annual approvals for reasonable accommodations will be needed during subsequent recertifications as long as the client's health care provider has previously certified the condition is not expected to improve over the long term.

However, the PHA retains the right to re-evaluate the need for the RA at any time. Staff will then require third party verification in order to verify the need for the RA.

If it is believed the reasonable accommodation was granted under false pretenses, an interim examination and re-evaluation may be initiated with supervisory approval.

Step 7: Confirmation at Inspection

When the RAC PHA staff member approves an additional bedroom for any purpose, at the time of an annual (bi-annual) inspection so the Agency can verify the bedroom is continuing to be used for its approved purpose. If the purpose of the bedroom has been changed from what was approved, the inspector will note this on the inspection form. The PHA staff case worker (inspector, in most cases) will then call the family in for a Mandatory Tenant Conference (MTC). At the MTC, the staff will determine the next appropriate steps.

Step 8: Grievance or Appeal Process

If the RAC PHA staff member denies the requested accommodation, a letter is sent to the family stating any additional information will be considered at any time it is received. The client is also provided with a phone number, which they may call to speak with the RAC PHA staff member. Additionally, the family is notified of their right to appeal the decision by requesting an Informal Hearing before a third party. During the Informal Hearing the family may present their reasons for requesting the reasonable accommodation and any supporting documentation.

Please refer to Chapter 18 for Grievances and Appeals.

Chapter 22 INSUFFICIENT FUNDING

INTRODUCTION

The regulation at 24 CFR 982.454 provides the 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 PHA will ensure that it has carefully considered all cost-saving measures and the impact such terminations will likely have on program participants.

A. CURRENTLY ASSISTED FAMILIES

When the PHA 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 that have most recently been admitted to the HCV Program excluding any recent NED families to the program. Contracts will be terminated for the families with the newest admission dates until funding is sufficient to support continued assistance for the remaining families. The PHA will give both the families and owners thirty (30) days advance notice of this action. Families whose contracts have been terminated due to lack of funding (listed as “Zero HAP”) will be eligible for assistance again as funds become available based on their admission date. Families with the oldest admission dates will be assisted first.

Families will be terminated from the program 180 days after contract termination (see Chapter 15 of the Administrative Plan). The PHA will issue such families a written thirty (30) day notice of the program termination. These families will receive priority to be readmitted to the program before new applicants are selected from the HCV wait list. At the time a family is terminated as a result of insufficient funding, PHA staff shall add them to the HCV wait list even if the wait list is closed. These families will be given the “insufficient funding” code to ensure they will be first on the wait list. Families must submit address changes in writing to ensure they receive notices from the PHA. Families will be selected to 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. The PHA will only verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for these families.

Should the PHA have to terminate families from its HCV Program due to a funding shortfall, NED families that comprise the required number of families serviced (maximum allotted vouchers to the PHA) must be last to be terminated (per PIH 2013-19).

Moves with Continued Assistance (PIH 2011-28, PIH 2012-42, PIH 2011-3)

If the PHA has insufficient funding to support continued assistance for participating families, it may deny family requests to voluntarily move. The PHA will inform families submitting requests to move that voluntary moves are prohibited unless the family can show the PHA will pay the

same or 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 will be denied. Please see Glossary for definitions of higher cost area and higher cost unit. When funding is available and the PHA is allowing voluntary moves to higher cost areas, the PHA will provide such information on its website at www.coastalca.org.

Families who are involuntary movers will be permitted to move as described in Chapter 13 of the Administrative Plan. Families requesting to move in accordance with VAWA or as a Reasonable Accommodation shall not be denied a move; however, these requests will be reviewed and approved at the discretion of the PHA in accordance with PIH 2011-28, 2012-42, and 24 CFR 982.314(e)(1).

B. APPLICANTS ISSUED VOUCHERS

The PHA may over-issue vouchers only to the extent necessary to meet leasing goals. If the PHA finds it is over leased or has insufficient funding, it may stop issuing vouchers and/or cancel vouchers that have already been issued. In such cases, families with canceled vouchers would be returned to the wait list and a notation will be added to the electronic file. When funding becomes available and the PHA is able to select families from the wait list again, the PHA will only verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for these families.

Families who had their voucher canceled will be pulled from the wait list in the order of their original voucher effective date.

C. RESTORATION OF FUNDING

When funding is available, vouchers will be issued in the following order to assist:

1. Participant families whose housing contracts were terminated due to insufficient funds;
2. Families who were terminated from the program due to insufficient funds;
3. Families eligible for special programs as determined by HUD;
4. Applicant families whose vouchers were canceled due to insufficient funds;
5. Other applicant families on the HCV wait list.

Chapter 23 MARIJUANA POLICY

With the ever changing North Carolina State Law governing usage of marijuana for medical purposes it is imperative to note that possession of marijuana is illegal under Federal Law. When a State Law is in conflict with a Federal Law, the Federal Law prevails. Thus, under Federal Law, possession of marijuana for medical and/or non-medical purposes constitutes a crime.

Marijuana use or possession includes the growing, cultivating, selling, bartering, exchanging or other activity that furthers the proliferation and/or use of marijuana on or near your subsidized unit.

Admission

All forms of marijuana possession, including the use of “medical marijuana” is illegal under Federal Law even if it is permitted under State Law. HCV will deny admission to any household where there is, at the time of application or processing for admission, reasonable cause to believe they may have illegally used a controlled substance, as that term is defined by the Controlled Substances Act (CSA).

HCV will also deny participation to applicants where the PHA has reasonable cause to believe that any family member has illegally used or possessed marijuana or engaged in any drug-related or other criminal activity within the past three (3) years.

Reasonable Accommodation

A person who possesses marijuana for medicinal use is an illegal drug user under Federal Law. HCV will not approve any reasonable accommodation requests for the use of medical marijuana.

Medical Expense Deduction

When calculating a participant’s adjusted income, HCV must deduct from annual income the “unreimbursed medical expenses of any elderly or disabled family” that exceed three percent (3%) of annual income. However, the IRS specifically states that an elderly or disabled person “cannot include in medical expenses amounts (paid) for controlled substances (such as marijuana, laetrile, etc.) in violation of Federal Law.”

The PHA will not include medical expenses used to pay for marijuana or its paraphernalia in the calculation of medical expense deductions.

Ending Program Participation

If HCV has reasonable cause to believe a participant is using marijuana in, or in the immediate vicinity of, their subsidized unit they may have their participation terminated.

Chapter 24 LANGUAGE ACCESS SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

INTRODUCTION

The PHA takes reasonable steps to ensure that individuals with Limited English Proficiency (LEP) are provided equal access to participation in its program at the same level as native English speakers. This policy is in accordance with Title VI of the Civil Rights Act of 1964, which protects individuals from discrimination on the basis of national origin and Executive Order (EO) 13166, which directs all Federal agencies including the Department of Housing and Urban Development (HUD) to ensure all programs receiving federal assistance provide meaningful access to LEP persons. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the Federal Register.

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

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

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

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the HCV Program;
2. The frequency with which LEP person come into contact with the program;
3. The nature and importance of the program, activity, or service provided by the program to people's lives; and
4. The resources available to the PHA and costs.

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

A. ORAL INTERPRETATION

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the PHA will generally offer, or ensure the family is offered through other sources, competent services free of charge to the LEP person.

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

When feasible, the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents. Where feasible and possible, the PHA will encourage the use of qualified community volunteers. Where feasible, the PHA will enlist the aid of Coastal Community Action, Inc. Bilingual Specialist to assist LED families in the following language: Spanish.

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

B. WRITTEN TRANSLATION

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

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

- The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes of five percent (5%) or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered as the PHA HCV Program budget allows. Translation of other documents, if needed, can be provided orally; or
- If there are fewer than fifty (50) persons in a language group that reaches the five percent (5%) trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

C. IMPLEMENTATION PLAN

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

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

The PHA serves very few LEP persons and has limited resources; therefore, a written LEP plan is not required. The PHA will consider alternative ways to articulate, in a reasonable manner, a plan for providing meaningful access. The PHA will contact entities such as schools, grassroots, and faith-based organizations, community groups and groups working with new immigrants to gather their input into the process.

Chapter 25 VIOLENCE AGAINST WOMEN ACT AND DOMESTIC VIOLENCE

INTRODUCTION

Title VI of the Violence Against Women Act (VAWA) adds a new housing provision that establishes several categories of protected individuals. Under the law victims of domestic violence, dating violence, stalking, and victims of sexual assault are granted protections, and cannot be denied or terminated from housing or housing assistance because of activity that is directly related to domestic violence.

A. PURPOSE

The purpose of this policy is to reduce domestic violence, dating violence, sexual assault, and stalking and to prevent homelessness by:

- Protecting the safety of victims;
- Creating long-term housing solutions for victims;
- Building collaborations among victim service providers; and
- Assisting the PHA to respond appropriately to the violence while maintaining a safe environment for the PHA, employees, tenants, applicants, HCV participants, and others.

The policy will assist the PHA in providing rights under the VAWA to its applicants and HCV participants.

This policy is incorporated into the PHA's HCV Administrative Plan.

B. DEFINITIONS

The definitions in this Section apply only to this policy.

Actual or imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual or imminent threat, the factors to be considered include:

- The duration of the risk;
- The nature and severity of the potential harm;
- The likelihood the potential harm will occur; and
- The length of time before the potential harm would occur.

Affiliated individual means a spouse, parent, brother, sister, child or a person to whom the tenant stands in the place of a parent or guardian, or any individual, tenant, or other lawful occupant living in the tenant's household.

Confidentially: The PHA will not enter information provided to the PHA by a victim alleging domestic violence into a shared database or provide this information to any related entity.

Date Violence: Violence committed by a person:

- a) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- b) Where the existence of such relationship shall be determined based on a consideration of the following factors:
 - a. The length of the relationship;
 - b. The type of relationship;
 - c. The frequency of interaction between the persons involved in the relationship.

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

The term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of relationship, the type of relationship, and the frequency of interaction between the persons involved in the relationship.

Immediate Family Member: A spouse, parent, brother or sister, or child of a victim or an individual to whom the affiliated individual; or any other person living in the household of the victim and related to the victim by blood or marriage.

Perpetrator: A person who commits an act of domestic violence, dating domestic violence or stalking against a victim.

Safe Unit: Refers to a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe.

Stalking: (a) to follow, pursue or repeatedly commit acts with the intent to kill, injure, harass or intimidate the victim; (b) to place under surveillance with the intent to kill, injure, harass or intimidate the victim; (c) in the course of, or as a result of such following, pursuit, surveillance, or repeatedly committed acts, to place the victim in reasonable fear of the death of, or serious bodily injury to the victim.

Sexual Abuse: To cause substantial emotional or physical harm to the victim, an affiliated individual of the victim or the spouse or intimate partner of the victim.

Sexual Assault: Any type of sexual contact or behavior that occurs by force or without consent of the recipient of the unwanted sexual activity. Falling under the definition of sexual assault is sexual activity such as forced sexual intercourse, sodomy, child molestation, incest, fondling, and

attempted rape. It includes sexual acts against people who are unable to consent either due to age or lack of capacity.

Bona Fide Claim: A bona fide claim of domestic violence, dating violence or stalking must include incidents that meet the terms and conditions in the above definitions.

C. CERTIFICATION AND CONFIDENTIALITY

The person claiming protection under VAWA shall provide complete and accurate certifications to the PHA staff within fourteen (14) business days after the party requests, in writing, the person completes the certifications. If the person does not provide a complete and accurate certification within the fourteen (14) business days the PHA staff may take action to deny or terminate participation or tenancy. Mitigating circumstances will be considered in any case where the person or family did not submit or could not submit documentation timely. Additional time may be granted to a family on a case by case basis.

D. HUD APPROVED CERTIFICATION

For each incident that a person is claiming as abuse, the person may certify to the PHA their victim status by completing a HUD approved certification (Form HUD-5382). The person shall certify the date, time and description of the incidents, the incidents are bona fide incidents of actual or threatened abuses and meet the requirements of VAWA and this policy. The person shall provide information to identify the perpetrator including but not limited to the name and, if known, all alias names, date of birth, address, contact information such as postal, e-mail or internet address, telephone or facsimile number or other identification if it is safe to provide and is known to the victim.

E. OTHER CERTIFICATION

A person who is claiming victim status may provide to the PHA:

- a) Documentation signed by the victim and an employee, agent or volunteer of a victim service provider, an attorney, record of administrative agency, mental health professional or a medical professional from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking or the effects of the abuse, in which the professional attests under penalty of perjury the professional's belief the incident(s) in question are bona fide incidents of abuse; or
- b) A Federal, State, tribal, territorial, local police or court record.

Additional information may be requested for additional clarification purposes.

F. CONFIDENTIALITY

The PHA shall keep all information provided to the PHA under this section confidential. The PHA shall not enter the information into a shared database or provide to any related entity except to the extent that:

- The victim requests or consents to the disclosure in writing;
- The disclosure is required for eviction from HCV assistance; or
- The disclosure is required by applicable law.

G. APPROPRIATE BASIS FOR DENIAL OF ADMISSION, ASSISTANCE, OR TENANCY

PHA shall not deny participation or admission to a program on the basis of a person's abuse status, if the person otherwise qualifies for admission of assistance.

An incident or incidents of actual or threatened domestic violence, dating violence, stalking, or victims of sexual assault will not be a serious or repeated violation of the lease by the victim and shall not be good cause for denying to a victim admission to a program or terminating assistance.

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

Nothing in the previous sections shall limit the PHA's authority to propose termination of assistance of any participant for any violation of program Family Obligations not premised on the act or acts of violence against the participant or a member of the participant's household. However, the PHA may not hold a victim to a more demanding standard.

Nothing in the previous sections shall limit the PHA's authority to propose termination of assistance, or deny admission to a program, if the PHA can show an actual and imminent threat to other tenants, neighbors, guests, and their employees, persons providing service to the property or others if the participant family is not terminated from assistance or denied admission.

Nothing in the previous sections shall limit the PHA's authority to deny admission or terminate the assistance of a person who engages in criminal acts including but not limited to acts of physical violence or stalking against family members or others.

A HCV participant who moves out of an assisted dwelling unit to protect their health or safety and who:

- a) Is a victim under this policy;
- b) Reasonably believes he or she was imminently threatened by harm from further violence if he or she remains in the unit; and
- c) Has complied with all other obligations of the HCV Program may receive a voucher and move to another HCV jurisdiction.

H. ACTIONS AGAINST A PERPETRATOR

The PHA may take action against a perpetrator of domestic violence; however, the survivor of domestic violence may take action to control or prevent the violence, sexual assault, dating violence, or stalking. The action may include but is not limited to:

- Obtaining and enforcing a restraining or no contact order or order for protection against the perpetrator;
- Obtaining and enforcing a trespass against the perpetrator;
- Enforcing PHA or law enforcement's trespass of the perpetrator;
- Preventing the delivery of the perpetrator's mail to the victim's unit;
- Other reasonable measures.

I. PHA RIGHT TO TERMINATE HOUSING AND HOUSING ASSISTANCE UNDER THIS POLICY

Nothing in this policy will restrict the PHA's right to terminate program assistance for program violations by a participant who claims VAWA as a defense if it is determined by the PHA that such a claim is not credible. Nothing in this policy will restrict the PHA's right to terminate program assistance if the participant:

- A. Allows a perpetrator to violate a court order relating to the act or acts of violence; or
- B. If the participant allows a perpetrator who has been barred from assisted unit to come into the assisted unit including but not limited to the assisted unit's immediate vicinity under their control.

Nothing in this policy will restrict the PHA's right to terminate housing assistance if the participant who claims as a defense to an eviction or termination action relating to domestic violence has engaged in fraud and abuse against a federal housing program; especially where such fraud and abuse can be shown to have existed before the claim of domestic violence was made. Such fraud and abuse includes but is not limited to unreported income; unauthorized household members; and/or ongoing violations of program Family Obligations.

J. STATEMENTS OF RESPONSIBILITY OF PARTICIPANT, THE PHA TO THE VICTIMS, AND TO THE LARGER COMMUNITY

A participant has no less duty and responsibility under the program Family Obligations to meet and comply with the terms of the program than any other participant not making such a claim. Ultimately all participants must be able to take personal responsibility for themselves and exercise control over their households in order to continue their housing and housing assistance. The PHA will continue to address all participants who violate their Family Obligations including those who claim a defense of domestic violence. The PHA recognizes the pathologic dynamic and cycle of domestic violence and will work with victims of domestic violence partnering with other local victim support service providers and can refer the participant to the service providers when requested.

K. NOTICE TO APPLICANTS AND PARTICIPANTS

The PHA shall provide notice to applicants and participants of their rights and obligations under VAWA, including the right to confidentiality when a person is denied assistance, when a person is admitted, and when a tenant is notified of eviction or termination of housing benefits, during times of moving into a new unit or during the annual recertification process. Applicants and participants will be provided with HUD form-5382.

L. REPORTING REQUIREMENTS

The PHA shall include in its 5-year plan a statement of goals, objectives, policies or programs that will serve the needs of victims. PHA shall also include a description of activities, services or programs provided or offered either directly or in partnership with other service providers to victims, to help victims obtain or maintain housing or to prevent the abuse or to enhance the safety to victims.

M. CONFLICT AND SCOPE

This policy does not enlarge the PHA's duty under any law, regulation or ordinance. If this policy conflicts with the applicable law, regulation or ordinance, the law, regulation or ordinance shall control. If this policy conflicts with another PHA policy, this policy will control.

N. EMERGENCY TRANSFERS

The PHA is concerned about the safety of its participants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), the PHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender, identity, or sexual orientation. The ability of the PHA to honor such request for tenants currently receiving assistance; however, may depend upon a preliminary determination the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that ensures the PHA's covered housing program comply with VAWA.

1. Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if:

The tenant expressly requests the transfer; and

Either:

- A. The tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same unit; or
- B. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

2. Emergency Transfer Request Documentation

To request an emergency transfer, tenants with rental assistance should submit their written request to the following:

CCA, Inc.
Attn. HUD HCV Program
PO Box 729
Newport, NC 28570

The tenant will have the option of submitting HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation. The tenant may submit one of the following types of third-party documentation:

- A. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency documenting the domestic violence, sexual assault or stalking.

Documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse in which the professional attests under the penalty of perjury to the professional's belief the incident or incidents in question are bona fide incidents of abuse and the victim of VAWA attests to the documentation.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. If the PHA receives two or more completed form HUD-5382 that conflicts, the PHA can require the participant to submit third-party documentation within thirty (30) calendar days. Given the third-party documentation submitted, the PHA will make a best judgment determination of which individual is the true victim in order to resolve the conflict. Lastly, the PHA will provide reasonable accommodations to this policy for individuals with disabilities.

3. Emergency Transfer Timing and Availability

The PHA will expedite any pending processes once a participant submits an Emergency Transfer due to VAWA.

Under the HCV Program, the PHA will assist the tenant with their move to a safe unit by issuing a voucher quickly. If an emergency transfer request is received during the initial term of the lease the family will be issued a Mutual Agreement to terminate the contract. For guidance on Moves with Continued Assistance see Chapter 13 of the Administrative Plan.

4. Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY). Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>. Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Chapter 26 PROJECT-BASED ASSISTANCE

This PHA does not have any project-based assistance funding at this time.

Chapter 27 FAMILY SELF-SUFFICIENCY (FSS) PROGRAM ACTION PLAN

INTRODUCTION

This chapter provides an overview of the family self-sufficiency (FSS) program and action plan, including the purpose, organization, and required contents of the FSS action plan.

A. GOALS AND OBJECTIVES

The PHA in cooperation with local public and private resources implemented the FSS Program on November 1, 2000. The program goals are:

- To mobilize housing assistance to leverage and maximum the public and private sector services and resources that will enable residents of public and assisted housing to achieve economic independence.
- To use rental assistance as a stabilizing force to permit families to invest their energy in other efforts, including employment, education and job training and/or other retraining that is necessary to achieve upward mobility.
- To empower the underemployed and unemployed participating low-income families renting under the HCV Program to obtain economic independence, self-sufficiency, and, ultimately, independence from government assistance programs.

B. COORDINATING BODY

The coordinating body is entitled “Family Self-Sufficiency Program Coordinating Committee” (PCC).

The PCC consists of community leaders and representatives, from the public and private sector who are dedicated to the goals and objectives (set forth and outlined above) who have committed time and resources to the FSS Program. The PCC body will include active participants and graduates of the FSS Program who may offer unique insight into the operation of the FSS Program and can contribute valuable resources/feedback to this program.

The PCC met bi-monthly for the first year and bi-annually thereafter. Initially, the PPC critiqued, amended and endorsed this action plan and secured additional public and private resources and were overseers of the administration of the FSS Program.

The PCC may elect an Executive Committee who meets monthly. Method of meeting can include in person, via teleconference, or via email correspondence.

In lieu of an individual PCC meeting, the FSS Coordinator can seek out and partner with an existing organization (or agency) who meets the requirements of the FSS PCC body and is in agreement to allow their meeting to serve as PCC meetings. The FSS Coordinator will retain copies of the agenda, sign-in sheet, and any other applicable documents from these meetings.

C. ADMINISTRATION

Outreach Efforts

At the time of inception of the program, the PHA mailed all current participating families a brief program description and letter of recruitment for enrollment in the FSS Program, giving them the opportunity to express their interest. During the briefing process, new families are given a fact sheet about the FSS Program and are encouraged to contact the FSS Coordinator for follow-up. The PHA assures that both minority and non-minority groups will be informed. Families are encouraged to contact the PHA if they change their mind about FSS participation.

The PHA will continue these outreach efforts to aid the FSS Coordinator in maintaining enrollment of the FSS Program. However, should enrollment fall below the level listed below, the FSS Coordinator will:

- ✓ Conduct outreach meetings at tax credit properties throughout the PHA's jurisdiction;
- ✓ Conduct an outreach meeting at the CCA Admin office

Assurance of Non-Inference

Participation in the FSS Program is strictly voluntary. The PHA assures that a family's decision not to participate in the FSS Program will not affect the family's admission to the HCV Program.

Description of the Number, Size, Characteristics, Demographics, and Supportive Service Needs of Families Expected to Participate

The FSS Program will consist of at least 30 families.

Statistics seem to suggest that a pattern of long term, chronic unemployment with intergenerational welfare dependence has emerged throughout years. Studies further suggest that employment and educational services should be made available to acquaint participants, who have had little or no previous work experience, with appropriate techniques and strategies for employment.

Services which are expected to be in demand

- ✓ Adult basic education services
- ✓ Child care for training/employment
- ✓ Child support enforcement
- ✓ Employment counseling
- ✓ Employment placement services
- ✓ Homeownership and rental opportunities counseling
- ✓ Job opportunities program
- ✓ Legal advocacy programs
- ✓ Money management counseling

- ✓ Nutritional support service
- ✓ Personal counseling
- ✓ Skill training program
- ✓ Transportation
- ✓ Food/clothing/utility expenses

Number of eligible families that can expect to receive supportive services

There is a myriad of families that live within the boundaries of the HCV Program (within the PHA's jurisdiction) who fit the eligibility criterion for the FSS Program. Although many of these families may be receiving one or more of the supportive services listed, the PCC agrees the goals and objectives of the FSS Program will require an intensive effort with regard and respect to the families enrolled into the program. It is anticipated that all available services identified by applicant families in their individual Contracts of Participation will be made accessible to all participants.

D. HOW THE FSS PROGRAM WILL IDENTIFY NEEDS AND DELIVER SERVICE ACTIVITIES ACCORDING TO THOSE NEEDS

All FSS enrollees are selected from the current HCV Program participants. Those persons interested in the program will be invited to attend an interview session. The purpose of the session is to explain:

- The goals and objectives of the FSS Program
- The initial eligibility requirements
- Additional elements of the selection process
- The commitment expected of the participants
- The number of families to be selected
- The selection criteria to be used
- Other necessary program information

Prior to the interview, the applicant will be given a FSS Pre-Enrollment Form. This form must be completed and returned prior to or during the interview. The interview process will be conducted at the CCA Admin office, during a home visit, other area agreed upon by the applicant and the FSS Coordinator (such as the local park), or via telephone (if necessary). The objective of the interview will be to clarify the information given on the FSS Pre-Enrollment Form and review/discuss the candidate's probability for continued advancement.

After the initial interview has been conducted, the applicant can choose to immediately enroll into the FSS Program. Or, the applicant is given fourteen (14) business days to think about enrollment and the FSS Coordinator will conduct a follow-up interview with the applicant.

Upon enrollment, the applicant will sign a Contract of Participation outlining goals to complete over the next five (5) years. In order to evaluate the progress of individual families and the program overall, a system of periodic updates will be developed along with scheduled group

members with the families. Participants are expected to contact the FSS Coordinator for update information, at least, once every two (2) months. This can be in the form of:

- Home visits;
- Office visits;
- Mutually agreed upon other area such as a local park visit;
- Telephone call
- Correspondence via email – client sends email; FSS Coordinator responds; client responds back

Documentation of contact will be placed in the participant's FSS file.

Adjustments in services will be addressed when it is deemed necessary by both the participant and FSS Coordinator (with prior approval from Housing Director).

Description of public and private resources to be made available

For the HCV Program, it has been determined that adequate resources, both private and public, exist among program providers to meet the services and activity needs of the thirty (30) FSS Program participants. The resources include but are not limited to:

- Day care services
- Employment opportunities
- Funding
- Housing assistance
- Staff time
- Transportation
- Use of equipment
- Use of buildings and property

E. TIME TABLE FOR IMPLEMENTATION OF THE FSS PROGRAM

Enrollment of FSS Program participants began November 1, 2000.

F. CERTIFICATION THAT FSS PROGRAM SERVICES AND ACTIVITIES ARE COORDINATED WITH OTHER PROGRAMS AND THAT PROVIDERS ARE NOT DUPLICATIVE

Under the FSS Program the coordination and pledge of non-duplication of efforts continues through the networking of the PCC. The FSS Program does certify that service and activity providers will continue to be coordinated to ensure that services are being administered properly to avoid the problems of duplication of services.

G. STATEMENT OF SELECTION OF FSS PROGRAM PARTICIPANTS

All participants must be participants of the HCV Program. Selection for the FSS Program will be made without regard to race, color, religion, sex, creed, national origin, age, handicap, disability, familial status or sexual orientation and shall be in compliance with the rules and regulations for qualification for assistance under the HCV Program. Persons with disabilities are not excluded from participating in the FSS Program, although they are less likely to apply. Reasonable accommodations will be made for persons with disabilities.

Selection Criteria

Current HCV Program participants receiving WFFA/TANF will be offered first opportunity to participate in the FSS Program.

HCV Program participants that fall below the extremely low-income guideline level will be offered the opportunity to participant in the program, secondly.

If needed, in order to satisfy the program size of thirty (30) enrollments, FSS will be offered to any remaining active HCV Program participants, thirdly.

Applicants who have been issued a voucher and are currently looking for a unit to lease will be eligible to make application for the FSS Program. These families will not be eligible for enrollment until they have leased a unit and are actively participating in the HCV Program. No one is eligible to apply until they have actually been issued a voucher.

A family may be selected for participation in the FSS Program whether or not family members are already employed. A goal of the FSS Program is to help the underemployed obtain better jobs and become free of housing subsidies.

H. FSS PROGRAM POLICY FOR TERMINATING OR WITHHOLDING HOUSING ASSISTANCE AND SUPPORTIVE SERVICES FOR FAMILIES FAILING TO COMPLY WITH THEIR CONTRACT OF PARTICIPATION

FSS Program will make every attempt to encourage participants to achieve their goals through compliance with their Contract of Participation. Periodic progress checks of the participants will be performed. These performance reviews will be done to ensure that each family has the support which it needs to be successful in completing its Contract of Participation, additional counseling and services will be recommended to those residents which are falling behind in their individual plans. Regular quarterly written evaluations will be performed by the FSS Coordinator to determine the status of the participant in the scheduled plan. The evaluation will include the monitoring of the attendance and grades of those enrollees in school and/or job training. For enrollees which are working, employment will be monitored.

Participating families found to be in violation of their Contract of Participation will be notified in writing. Supportive service agencies will be informed and services may be withheld by the service provider at the stage of noncompliance. Said notifications will cite violations by the family as well as specific conditions and requirements for correction by the family within a 30-day time frame. Counseling sessions may be scheduled during the period to assist the family. If the noncompliance continues, FSS Coordinator will issue another written 30-day notification to the family indicating a decision to terminate FSS Contract of Participation and forfeiture of their escrow account within thirty days and giving the family an opportunity to appeal the decision through the procedures established in the Administrative Plan. Information on hearing procedures shall be given to each family explaining all rights of the family to present evidence and testimony at a hearing. This hearing shall be held within a reasonable time from the notice of termination of the FSS Contract. Every attempt will be made to encourage participation continuation and to avoid termination.

The PHA HCV Program will not terminate the housing assistance payments for FSS families who fail to comply with the terms of the FSS Contract of Participation or those families terminated from the FSS Program, so long as they comply with HCV Program rules and regulations.

I. RE-ENROLLMENT QUALIFICATION – SECOND ENROLLMENT INTO FSS PROGRAM

This PHA may refuse to select a family for participation in the FSS Program a second time if that family previously participated, did not meet its FSS obligations and was terminated from the FSS Program. These families will be reviewed on a case-by-case basis.

This PHA will allow re-enrollment of a family into the FSS Program for a second time if that family previously participated, did not meet its FSS obligations, did not graduate from the FSS Program and was not terminated from the FSS Program. The family MUST wait a period of one (1) year from the date of withdrawal from the FSS Program before requesting re-enrollment into the FSS Program.

This PHA will allow re-enrollment of a family into the FSS Program for a second time if that family previously participated and graduated from the FSS Program because of the “Zero HAP” factor (income becomes sufficient enough that the family can pay all rent own their own). The family MUST wait a period of one (1) year from date of graduation before requesting re-enrollment into the FSS Program.

This PHA will allow re-enrollment of a family into the FSS Program for a second time if that family previously participated and graduated from the FSS Program for all other reasons. The family MUST wait a period of one (1) year from date of graduation and goals MUST be different from previous Contract of Participation before requesting re-enrollment into the FSS Program.

J. USAGE OF FSS ESCROW ACCOUNTS

FSS participants have potential to earn individual FSS escrow account balances. During the time of the family Contract of Participation, the family may utilize the individual FSS escrow account balance for a variety of payments to assist with supportive services and completion of goals.

a) Partial Disbursement of Escrow Account Funds to FSS Participants:

- a. FSS participant, in good standing, with the PHA and FSS Program may request a partial disbursement of escrow account funds up to but not exceeding 50% of the total balance (at time of request) one time per quarter of each year of contract of participation. Exception to this allowance will be for hardships such as, but not limited to, extreme medical expenses, on-the-job training or clinical(s) that are outside of local travel (outside of Carteret County);
- b. FSS participant must submit, in writing, to FSS Coordinator, a request for funds, specifically stating the purpose of the funds being requested and how the expenditure will assist the participant to further their FSS contract goals.
 - i. i.e. medical and/or mental health expenditure, child care expenditure, transportation expenditure, work related expenditure, job training or educational expenditure, credit report and/or other activities that support a family's effort to achieve self-sufficiency.
 - ii. The written request must be signed and dated by the FSS participant.
 - iii. FSS Coordinator will then review the participant's FSS file and determine if all qualifications for partial disbursement have been met;

b) Qualifications for Partial Disbursements:

- a. FSS participant and household is in compliance with Family Obligations under HCV voucher.
- b. FSS participant must have been actively participating on FSS Program for at least six (6) months.
 - i. Actively participating defined as completing check-ins (at least one time per every two months) and working towards completing goals.
- c. Participant must have successfully completed at least one interim goal.
- d. Once qualifications are determined successful, the FSS Coordinator will determine if additional documentation is needed such as a statement of payment or three price quotes for a large purchase item (like an automobile). If additional documentation is needed, it will be reviewed before completion of processing for approval. If no additional documentation is needed, completion of processing for approval will begin:
 - i. FSS Coordinator will submit a request via the CCA agency-wide Purchase Order System to be approved by the Housing Director, then CFO, then ED (or representative of each).
 - ii. The approval process could take up to seven (7) business days to complete.
 - iii. Once approval has been received, the FSS Coordinator will submit a manual check request with a copy of the Purchase Order and supporting documentation to the Housing Director for signature; the Housing Director will submit information to the CFO for signature; the Accounting Tech will

receive finalized documentation to issue check for payment (this process can take up to seven (7) business days);

- iv. Upon receipt of the check the FSS Coordinator will either hand-deliver the check, mail the check or, in cases when a credit card is being used, make the order online or in person. The FSS Coordinator will maintain proof of delivery of payment in the FSS file and give copy of payment documentation to the CCA Accounting Tech.

c) Final Disbursements:

- a. The participating family will receive a disbursement of its escrow funds upon successful completion of the Contract of Participation.
 - i. Successful Completion is defined as:
 - 1. Written verification the Head of Household has satisfied final goal requirements set out in ITSP regarding employment.
 - 2. Written verification that **no one** in the FSS participant's household has received any Federal, State or other public welfare assistance in the 12 months prior to the five-year contract expiration date or date of early termination of contract.
- b. The FSS Coordinator and the Housing Director will review final disbursement requests and written verifications.
- c. A thorough review of the Escrow Account Ledger and FSS participant's file will be made prior to final disbursement.
 - i. Once completed, final disbursement request will be submitted in the same fashion as partial disbursement requests:
 - 1. FSS Coordinator submits Purchase Order request, approval by the Housing Director, approval by CFO, approval by ED (or the representative for each). Submission of the manual check request, Purchase Order and supporting documentation by FSS Coordinator to the Housing Director for signature, forwarded to CFO for signature, submitted to Accounting Tech for issuance of check. Copy of check with signed document of receipt of check by FSS participant will be maintained in FSS file.
- d. The family may use its final disbursement escrow funds for any purpose.

K. OTHER INFORMATION ON SOUNDNESS OF THE FSS PROGRAM

The FSS Program is recognized as an efficient and effective provider of the HCV Program. The board and staff are committed to the purpose of the FSS Program as evidenced in our agency mission statement.

The FSS Program is dedicated to helping its FSS participants fulfill their dreams of becoming independent, productive, self-sufficient members of society.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor
ACC	Annual Contributions Contract
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CR	Contract Rent
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act – Social Security taxes
FMR	Fair Market Rent
FSS	Family Self Sufficiency
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HO	Home Ownership
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
IRA	Individual Retirement Account
OIG	Office of Inspector General
PBA	Project-Based Assistance
PCC	Program Coordinating Committee
PHA	Public Housing Authority
PS	Payment Standard
QC	Quality Control
RTA	Request for Tenancy Approval
SRO	Single Room Occupancy
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ABATEMENT: Permanent withholding of the HAP for the duration the assisted unit is not in compliance with Housing Quality Standards after the initial thirty (30) day repair timeframe.

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: 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.

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: Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes ONLY.

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.

ADULT: A person aged 18 years or older.

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 ADJUSTED INCOME: The Annual Income (described above) less the HUD-approved allowances.

APPLICANT (or applicant family): A family that has applied for admission to a program, but is not yet a participant in the program.

“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.

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.

CERTIFICATION PROGRAM: Rental certificate program.

CHILDCARE EXPENSES: Amounts paid by the family for 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.

CITIZEN: A citizen or national of the United States.

CODE OF FEDERAL REGULATIONS: Commonly referred to as “the regulations” or “CFR”. The CFR is the compilation of Federal rules, which are first published in the Federal Register and define and implement a statute.

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/Partner and; a Co-head is never a Dependent).

CONGREGATE HOUSING: Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

COOPERATIVE: A dwelling unit owned and/or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

CONTIGUOUS MSA: In portability, a MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

CONTINUOUSLY ASSISTED: An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the certificate or voucher program.

CONTRACT: (See Housing Assistance Payments Contract).

CONTRACT AUTHORITY: The maximum annual payment by HUD to a PHA for a funding increment.

CONTRACT RENT: In the Housing Choice Voucher Program, Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP payment from the PHA.

COVERED FAMILY: A family that receives welfare benefits or other public assistance from a State or local agency which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

CURRENT: A debt is considered “current” if there is a repayment agreement, the family has made at least one payment and there are no past due payments.

DEPENDENT: A member of the family household (excluding foster children) other than the family head or spouse/partner, 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.

DHS: Department of Homeland Security (formerly known as INS)

DISABILITY ASSISTANCE EXPENSE: Anticipated costs for care attendants and auxiliary apparatus for disabled family members, which enable a family member (including the disabled family member) to work.

DISABLED PERSON: A person who is any of the following:

- (1) A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C. 423).
- (2) A person who has a physical, mental, or emotional impairment that:
 - (a) Is expected to be on long-continued and indefinite duration
 - (b) Impedes his or her ability to live independently
 - (c) Is of such a nature that ability to live independently could be improved by more suitable housing conditions.
- (3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

DISABLED FAMILY: A family where the head (including co-head), spouse/partner, 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.

DISPLACED FAMILY: A family in which each member, or whose sole member, is a person:

- (1) displaced by governmental action resulting from the:
 - (a) prepayment of a mortgage or
 - (b) voluntary termination of a mortgage insurance contract or
 - (c) termination from housing due to a lack of funding or
 - (d) demolition or disposition of a Public or Indian Housing Project, or
 - (e) 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 (24 CFR 5.403)

DOMICILE: The legal residence of the household head or spouse/partner 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 Substance Act (21 U.S.C. 802)).

DUPLICATE PRE-APPLICATION: Multiple pre-applications in which the head of household name and social security number are the same. The first pre-application will be accepted for its date and time; however, the address and other updated information will be used to update the current record.

EIV: Enterprise Income Verification System is a HUD computer system used to verify income for program participants.

ELDERLY HOUSEHOLD: A family whose head (including co-head), spouse/partner, 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.

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.

EMANCIPATED MINOR: A person under the age of 18 who is no longer subject to the laws governing parental responsibility. Emancipated minors are seen as legal adults under most circumstances.

EMERGENCY: Any documented and verifiable situation endangering the life or health and safety of the family including impending homelessness as a result of reduced funding for the HCV Program or other sequestration of funds.

EXCEPTION RENT: In the certificate program an initial rent (contract rent plus any utility allowance) in excess of the published FMR. In the certificate program the exception rent is approved by HUD, or the PHA under prescribed conditions, and is used in determining the initial

contract rent. In the voucher program the PHA may adopt a payment standard up to the exception rent limit approved by HUD for the PHA certificate program.

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.

EXTREMELY LOW-INCOME (ELI) FAMILY: A family whose annual income does not exceed 30% of the median income of the area, as determined by HUD, with adjustments for smaller and larger families. PHA voucher Programs must admit at least 70% of new applicants who are ELI families.

FAIR MARKET RENT: The rent, including the cost of basic utilities (not telephone, internet or cable), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. In this document, this includes Small Area Fair Market Rents also.

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 includes 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);
- Elderly family;
- A near-elderly family;
- A disabled family;
- A displaced family; and
- The remaining member of a tenant family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM): The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE: The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE: The size of the Certificate or Voucher issued to the family based on the PHA’s subsidy standards.

FEDERAL PREFERENCE: A preference under Federal law for admission of applicant families.

FEDERAL PREFERENCE HOLDER: An applicant that qualifies for a Federal preference.

FMR: Fair Market Rent.

FOSTER CHILDCARE PAYMENT: Payment to eligible households by State, local or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT: A full-time student is a person who is enrolled in at least 12 or more units at one (1) or more educational, technical or vocational institutions. An adult member of the household enrolled full-time in high school will also be considered a full-time student upon receipt of verification of continued enrollment.

FUNDING INCREMENT: Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

GOOD CAUSE: A substantial and compelling reason for missing an appointment or deadline to submit paperwork or to provide other information.

GROSS RENT: The sum of the Contract Rent and the utility allowance. If there is no utility allowance, Contract Rent 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 adult member of the family who assumes legal and financial responsibility for the household and is listed on the application as head.

HIGHER COST AREA OR HIGHER COST UNIT: For moves within the initial PHA's jurisdiction, a "higher cost unit" is defined as a unit in which the PHA would have to pay a higher subsidy amount. For portability moves, a "higher cost area" is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or "more generous" subsidy standards (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the initial PHA). (See PIH 2011-3).

HOMELESS: As defined in the HEARTH Act:
Homeless means:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. 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;
 - b. 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
- c. 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:
 - a. The primary nighttime residence will be lost within fourteen (14) days of the date of application for homeless assistance;
 - b. No subsequent residence has been identified; and
 - c. 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:
 - a. 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);
 - b. 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;
 - c. 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
 - d. 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:
 - a. 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;
 - i. Has no other residence; and

- ii. Lacks the resources or support networks, e.g., family, friends, and faith based or other social networks, to obtain other permanent housing.

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 Section 8 Programs.

HOUSING ASSISTANCE PAYMENT: The monthly assistance payment by a PHA. The total assistance payment consists of:

1. A payment to the owner for rent to the owner under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to the 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 AUTHORITY: A State, County, Municipality, or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian Housing Authority (IHA).

HOUSING QUALITY STANDARDS (HQS): The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD: Department of Housing and Urban Development.

HUD REQUIREMENTS: HUD requirements for the Housing Choice Voucher Programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

IMPUTED ASSET: Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME: HUD passbook rate multiplied by total cash value of assets. Calculation used when assets exceed \$5,000.

IMPUTED WELFARE INCOME: The amount of annual income, not actually received by a family, as a result of a specified benefit reduction.

INITIAL PHA: In portability, the term refers to both:

1. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
2. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD: The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO THE OWNER: The rent to the owner at the beginning of the HAP contract term.

INCOME: Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY: Annual Income.

JURISDICTION: The area in which the PHA has authority under State and local law to administer the program.

LEASE:

1. 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.
2. 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: In the lease between the tenant and the owner, the lease language required by HUD.

LIVE-IN AIDE: A person who resides with an elderly person or disabled person and who:

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

LOCAL PREFERENCE: A mechanism used to prioritize eligible households for placement on a PHA's waiting list.

LOW-INCOME FAMILY: A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger 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 prevailing comparable rent being charged in the rental area. Factors considered are unit type, size, age, location, amenities, and provided services.

MEDICAL EXPENSES: A deduction for Disabled and/or Elderly Households only: 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. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income.

MINOR: A member of the family household (excluding foster children) other than the family head or spouse/partner who is under 18 years of age.

MIXED FAMILY: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status as defined in 24 CFR 5.504(b)(3).

MONTHLY ADJUSTED INCOME: 1/12th of the Annual Adjusted Income.

NATIONAL: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States Territory or possession.

NED: Non-elderly, disabled person.

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.

NON-CITIZEN: A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS: Now referred to as Subsidy Standards. Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

ORIGINAL HOUSEHOLD MEMBER: A household member who was a part of the original application and who has not resided outside of the home for more than 180 days.

OTHER CRIMINAL ACTIVITY: Other Criminal Activity is criminal activity which may threaten the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity or criminal activity which may threaten the health and safety of the owner, PHA staff or persons performing a contract administration function or

responsibility on behalf of the PHA, which may include but is not limited to: theft, vandalism, gang affiliation, unlawful entry, burglary, etc.

OWNER: 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. The persons or entity having the legal right to lease a unit to a participant.

PARTICIPANT: A family that has been admitted to the PHA's Housing Program. This family becomes a participant on the effective date of the first HAP Contract executed by the PHA for the family (First day of initial lease term).

PAYMENT STANDARD: The maximum subsidy payment for a family.

PERMANENT SUPPORTIVE HOUSING: Housing model that combines low barrier affordable housing and supportive housing to help individuals and families lead more stable lives.

PERSONS WITH DISABILITIES: Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.3.

PORTABILITY: Renting a dwelling unit with the Housing Choice Voucher tenant-based assistance outside the jurisdiction of the initial PHA.

PROJECT: The units as defined in Attachment A of a Project-based voucher contract.

PRE-APPLICANT (or Pre-Applicant Family): A family that has submitted a pre-application to be placed on a waitlist, but has not yet completed an application to qualify for the program.

PREMISES: The building or complex in which the dwelling unit is located, including common areas and grounds.

PREVIOUSLY UNEMPLOYED: This 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 of locality.

PRIVATE SPACE: In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

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 AUTHORITY: A State, County, Municipality, or other governmental entity or public body authorized to administer the programs.

REASONABLE CAUSE: Applied to a set of facts or actions to prove whether a reasonable person would have come to the same conclusion or acted in the same way given the totality of the circumstances.

REASONABLE RENT: A rent to the owner that is not more than rent charged:

1. For comparable units in the private unassisted market.

RECEIVING PHA: In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a certificate or voucher and provides program assistance to the family.

RECERTIFICATION: Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.

RELATIVE: Any person related by blood, adoption or marriage.

REMAINING MEMBER OF TENANT FAMILY: Person left in assisted housing after other family members have left and become unassisted.

RENT TO THE OWNER: The total monthly rent payable to the owner under the lease for the unit. Rent to the owner covers payment for any housing services, maintenance and utilities the owner is required to provide and pay for.

SAFMR: Small Area Fair Market Rents. Used interchangeably with FMR.

SECRETARY: The Secretary of Housing and Urban Development.

SECURITY DEPOSIT: Any advance payment, other than an advance for the first month's rent or a deposit for a key or any special equipment.

SERIOUS 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:

1. If the owner terminates tenancy for serious or repeated violations of the lease.
2. If there are police reports, neighborhood complaints or other third party information, that has been verified by the PHA,
3. Nonpayment of rent is considered a serious violation of the lease.

SERVICE PERSON: A person in the active military or naval service (including the active reserve) of the United States.

SINGLE PERSON: A person living alone or intending to live alone.

SMALL AREA FAIR MARKET RENTS (SAFMR): Fair Market Rents published by zip codes. HUD typically publishes SAFMRs annually in October.

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).

SPORADIC INCOME: Income received less than three pay periods in the year.

SPOUSE/PARTNER: A spouse/partner may be a person who is a boyfriend, girlfriend, significant other, spouse, or intimate partner. A household may only have one approved spouse/partner at a time.

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.

SUBSTANTIALLY COMPLY WITH HUD'S HOUSING QUALITY STANDARDS: The housing unit will pass housing quality standards (HQS) without the infusion of more than \$5,000 in rehabilitation.

SUSPENSION/TOLLING: Stopping the clock on the term of a family's certificate or 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.

TENANT: The person or persons (other than a live-in aide) who executes the lease as lease of the dwelling unit.

TOTAL TENANT PAYMENTN (TTP): The highest of 30% of the monthly-adjusted income, 10% of total monthly income, or the minimum rent.

UIV: Up-Front Income Verification. Refer to EIV (above).

UNIT: Residential space for the private use of a family.

UTILITIES: Utilities means water, electricity, gas, other heating, cooking fuels, trash collection and sewage services. Telephone, cable and internet services are not considered utilities.

UTILITY ALLOWANCE: An average estimated utility cost for the type, size and utility combination the tenant would be responsible to pay.

UTILITY REIMBURSEMENT PAYMENT: The amount, if any, by which the Utility Allowance for the selected unit or authorized voucher size (whichever is less), if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VERY LOW-INCOME FAMILY (VLI): 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 Voucher Program.

VETERAN: A person who has served in the active military, who was called to active duty by a Federal order of the United States at any time and who was discharged or released under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY: Violent criminal activity is any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

VOUCHER HOLDER: A family holding a voucher with unexpired search time.

WAIT LIST ADMISSION: An admission from the PHA wait list.

WAIT LIST: A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

WELFARE ASSISTANCE: Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State, or local governments.