Harford County Housing Agency
15 South Main Street, Suite 106
Bel Air, Maryland 21014

ADMINISTRATIVE PLAN

Effective January 1, 2012

Table of Contents

Chapter 1 Statement of Policies and Objectives....1
Section 1.1.0 Background....1
1.1.1 Jurisdiction....1
1.1.2 Mission Statement....1
1.1.3 Core Values and Ethical Standards....1
1.1.4 Local Goals....2
Section 1.2.0 Purpose of the Plan....3
1.2.1 Administrative Error....3
1.2.2 Rules and Regulations....3
1.2.3 Terminology....4
1.2.4 Fair Housing Policy....4
1.2.5 Reasonable Accommodations Policy....5
1.2.6 Verification of Disability....6
1.2.7 Limited English Proficiency (LEP)....6
1.2.8 Translation of Documents....6
Section 1.3.0 Applying for Admission....7
1.3.1 Management Assessment Objectives....7
1.3.2 Insufficient Funding....8
1.3.3 Records for Monitoring Performance....8
1.3.4 Record Keeping....9
1.3.5 Criminal Records....10
1.3.6 Medical Disability Records....10
1.3.7 Children with Environmental Blood Levels....10
1.3.8 Data Collection....10
1.3.9 Privacy Rights....10
Section 1.4.0 Outreach Activities....11
1.4.1 Family Outreach....11
1.4.2 Owner Outreach....12
Section 1.5.0 Issuance of Vouchers....12
1.5.1 Payment Standards....13
1.5.2 Adjustments to Payment Standards....13
1.5.3 Assisted Families' Rent Burdens....14
1.5.4 Quality of Units Selected....14
1.5.5 Families' Rent Burden Analysis....14
1.5.6 Rent to Owner Increases....14
1.5.7 Time to Locate Housing....14
1.5.8 Lowering of the Payment Standard....14
1.5.9 Financial Feasibility....15
1.5.9(a) Exception Payment Standards....15
1.5.9(b) Subsidy Standards....15
Section 1.6.0 Utility Allowance and Reimbursement Payments....15
The utility allowance is intended to cover the cost of essential utilities....15
The utility allowance schedule must include essential utilities....15
The HCHA must classify utilities in the utility allowance schedule....15
The HCHA will review and revise the utility allowance schedule annually....16
Revised utility allowances....16

Chapter 2 Waiting List 17
Section 2.1.0 Introduction 17
2.1.1 Order of Selection 17
2.1.2 Local Preferences 17
2.1.3 Ranking Preferences 18
2.1.4 Super Preference 18
2.1.5 Category One 18
2.1.6 Category Two 18
2.1.7 Category Three 18
2.1.8 Category Four 18
Section 2.2.0 General Waiting List Management 18
2.2.1 Applications for Program Admission 19
2.2.2 Special Admissions 19
2.2.3 Targeted Funding 19
2.2.4 Taking Application for the Waiting List 19
2.2.5 Pulling Applicants from the Waiting List 20
Section 2.3.0 Return to the Waiting List 20
2.3.1 Applicants Who Must Reapply 20
2.3.2 Applicants Reinstated at Original Date and Time of Application 21
2.3.3 Applicants Returned to the Waiting List at Original Date and Time of Application 21
2.3.4 Change of Household While on the Waiting List 21
Section 2.4.0 Point in Time that Family Must be Eligible for Processing 22
2.4.1 Scenario Number One 22
2.4.2 Scenario Number Two 22
2.4.3 Scenario Number Three 23
2.4.4 Scenario Number Four 23
2.4.5 Scenario Number Five 23
Section 2.5.0 Income Targeting 23
Section 2.6.0 Other Housing Assistance 23
Section 2.7.0 Purging 24
Section 2.8.0 Opening/Closing the Waiting List 24
Chapter 3 Eligibility for Admission and Participation 25
Section 3.1.0 Introduction 25
3.1.1 Screening Applicants/Participants 25
3.1.2 Purpose of Screening Applicants and Participants 25
3.1.3 Screening Process 25
3.1.4 Eligibility Factors 26
3.1.5 Definitions 26
Covered person 26
Drug 26
Drug-related criminal activity 26
Guest 26
Household 26
Other person under the tenant’s control 26
Violent criminal activity 26
Other criminal activity 26
3.1.6 Eligibility for Admission 27
3.1.7 Criminal Activity 28

Section 3.2.0 Admission and Participation Eligibility Factors....29
Section 3.3.0 Other Ongoing Participation Eligibility Factors....33
Chapter 4 Verification Procedures and Calculation of HAP and Family Rent....36
Section 4.1.0 Introduction....36
4.1.1 Methods of Verification and Time Allowed....36
4.1.2 Up-Front Income Verification....37
4.1.3 Third-Party Written Verification....38
4.1.4 Third-Party Oral Verification....39
4.1.5 Documents Accepted as Verification....39
4.1.6 Self-Certification/Self-Declaration....39
4.1.7 Release of Information....39
4.1.8 Criminal Records....40
4.1.9 Computer Matching....40
Section 4.2.0 Items to be Verified....41
Section 4.3.0 Verification of Waiting List Preferences....42
4.3.1 Residency Preference....42
4.3.2 Families with Dependent Children Preference....43
4.3.3 Veterans Preference....43
4.3.4 Working Preference....43
4.3.5 Educational/Training Participants....43
4.3.6 Disability Preference....43
4.3.7 Elderly Preference....44
4.3.8 Homeless Preference....44
Section 4.4.0 Verification of Non-Financial Factors....44
4.4.1 Verification of a Victim of Domestic Violence, Dating Violence, or Stalking....44
4.4.2 Verification of Legal Identity....45
4.4.3 Verification of Age....46
4.4.4 Verification of Marital Status....46
4.4.5 Foster Children/Adults....47
4.4.6 Familial Relationships....47
4.4.7 Verification of Permanent Absence of Family Member....47
Section 4.5.0 Verification of Change in Family Composition....48
4.5.1 Verification of Disability....48
4.5.2 Verification of Citizenship/Eligible Immigrant Status....48
Mixed families....48
All members ineligible....48
Citizens or nationals of the United States....49
Eligible immigrants 62 or over....49
Non-citizens with eligible immigration status....49
Ineligible family members....49
Non-citizen students on student visas....49
Failure to provide....49
4.5.3 Time of Verification....49
4.5.4 Extensions of Time to Provide Documents....50
4.5.5 Acceptable Documents of Eligible Immigration....50
Section 4.6.0 Summary of Documentation Requirements for Non-citizens....50
4.6.1 Elderly Non-citizens....50
4.6.2 Other Non-citizens....50

Section 4.7.0 Verification of Social Security Numbers....51
4.7.1 Verification of Benefits or Social Security Number from Social Security Administration....51
Section 4.8.0 Need for Larger Unit or a Live-in Aide....52
Section 4.9.0 Income....52
Income....53
Annual Income....53
4.9.1 Averaging Income....53
Section 4.10.0 Amounts the HCHA has Determined Do Not Meet the Definition of Income....53
4.10.1 Employer Reimbursement of Mileage Expenses....53
4.10.2 Loan....54
4.10.3 Employer Contributions to a Flexible Spending Account....54
Section 4.11.0 Excluded Income....54
4.11.1 Earned Income Tax Credit....56
4.11.2 Lump Sum Payments....56
4.11.3 Attorney Fees....56
4.11.4 Disallowance of Earned Income from Rent Determinations for Persons with Disabilities....57
4.11.4(a) Initial Twelve-Month Exclusion....58
4.11.4(b) Second Twelve-Month Exclusion and Phase-in....58
4.11.4(c) Maximum Four-Year Disallowance....58
4.11.4(d) Child Care Expense Deductions....59
4.11.4(e) Tracking the Earned Income Exclusion....59
Section 4.12.0 Disallowance of Income Resulting from Local, State, or HUD-Funded Training Program....59
Section 4.13.0 Foster Care Income....60
Section 4.14.0 Adoption Assistance....60
Section 4.15.0 Income of Students....60
Section 4.16.0 Employment Income....61
Section 4.17.0 Bonuses and/or Commission....62
Section 4.18.0 Minimal or Zero Income....62
Section 4.19.0 Regular Contributions and Gifts....63
Section 4.20.0 Social Security, Pensions, Supplementary Security Income (SSI), Disability Income....63
4.20.1 Social Security and Supplemental Security Income....63
4.20.2 Other Benefit Income....64
Section 4.21.0 Unemployment Compensation....64
Section 4.22.0 Alimony and Child Support....64
Section 4.23.0 Self Employment Income....65
Section 4.24.0 Child Care Business....66
Section 4.25.0 Welfare Payments or General Assistance....66
4.25.1 Income Changes Resulting from Welfare Program Requirements....67
4.25.2 Verification Before Denying a Request to Reduce Family Rent....67
4.25.3 Cooperation Agreements....67
4.25.4 Family Dispute of Amount of Imputed Welfare Income....68
Section 4.26.0 Assets....68
4.26.1 Interest Income from Mortgages or Similar Arrangements....69
4.26.2 Equity in Real Property or Other Capital Investments....69
4.26.3 Net Rental Income from Property....69

4.26.4 Checking and Savings Accounts, Stocks, Bonds, Certificates of Deposit, and Money Market Funds 70
4.26.5 Lump Sum 70
Section 4.27.0 Contributions to Retirement Funds 71
Section 4.28.0 Assets Disposed of for Less Than Fair Market Value 71
Section 4.29.0 Deductions and Allowances 71
Section 4.30.0 Pregnant Applicant/Participant 72
Section 4.31.0 Expenses Deducted from Annual Income Child Care Expenses 72
Section 4.32.0 Medical Expenses 74
For attendant care 74
Prescribed medicines and drugs 75
Nonprescription medicines 75
Herbal medicines 75
Vitamins 75
Mileage for Harford County medical appointments 75
Medical services 75
Medical devices 75
Medical supplements in solid or liquid form 75
Medical insurance premiums 76
Section 4.33.0 Standards for Physical Therapy Exercises and Non-traditional Settings 76
Section 4.34.0 Medicare Prescription Drug Plan – Part D 76
Section 4.35.0 Ineligible Medical Expenses 77
Section 4.36.0 Disability Assistance Expenses 77
4.36.1 Eligible Disability Expenses Auxiliary Apparatus 77
4.36.2 Eligible Attendant Care 78
4.36.3 Necessary and Reasonable Expenses 78
Section 4.37.0 Total Tenant Payment and Tenant Rent Proration of Assistance for "Mixed" Families 79
Applicability 79
4.37.1 Prorated Assistance Calculation 79
Section 4.38.1 Minimum Rent Amount 79
4.38.2 Hardship Requests for an Exception to Minimum Rent 79
4.38.3 Zero HAP 79
Section 4.39.0 Utility Reimbursement Payment 79
Chapter 5 Voucher, Subsidy Standards, Household Composition 80
Section 5.1.0 Introduction 80
Section 5.1.1 Voucher Provisions 80
5.1.2 Expirations 81
5.1.3 Suspensions 81
5.1.4 Extensions 81
5.1.5 Assistance to Voucher Holders 81
Section 5.2.0 Voucher Issuance Determination for Split Households 82
Section 5.3.0 Determining Voucher Size (Family Unit Size) 82
5.3.1 Subsidy Standards 83
5.3.2 Increases in Voucher Unit Size for Participants 83
5.3.3 Decreases in Voucher Unit Size for Participants 83
5.3.4 Exceptions to Subsidy Standards 84
5.3.5 Reasonable Accommodation 84

5.3.6 Live-in Aide 84
5.3.7 Request for Exceptions to Subsidy Standards....84
Section 5.4.0 Determination of Household Status and Composition 85
5.4.1 Family Composition....85
5.4.2 Unrestricted Admissions....85
5.4.3 Partially Restricted Admissions....85
5.4.4 Unrestricted, Partially Restricted, and Restricted Admissions to the Household 86
5.4.5 Restricted Admissions 87
5.4.6 Qualifying Family....87
5.4.7 Head of Household 88
5.4.8 Spouse of Head of Household....88
5.4.9 Co-head....88
5.4.10 Elderly and Near Elderly Persons, Elderly Family 88
5.4.11 Persons with Disabilities and Disabled Family....88
5.4.12 Individual with Handicaps 90
5.4.13 Dependent 90
5.4.14 Children Receiving Adoption Assistance 91
5.4.15 Foster Children/Adults....91
5.4.16 Live-in Aides 91
5.4.17 Remaining Member of the Family....93
5.4.18 Visitors....93
5.4.19 Mixed Families 94
Section 5.5.0 Temporarily/Permanently Absent Family Members 94
5.5.1 Absence of Any Member....95
5.5.2 Absence Due to Medical Reasons/Confined to Nursing Home 95
5.5.3 Sole Family Member....95
5.5.4 Remaining Household Member 95
5.5.5 Absence Due to Full-time Student Status 95
5.5.6 Absence Due to Incarceration....96
5.5.7 Absence of Children Due to Placement in Foster Care....96
5.5.8 Absence of Entire Family 96
5.5.9 Absence of Parents and Assignment of Caretaker for Children 97
Section 5.6.0 Court-Ordered Temporary Absence 97
Section 5.7.0 Joint Custody of Children....98
Chapter 6 Initial Approval and Briefing....99
Section 6.1.0 Introduction 99
6.1.1 Initial Eligibility Approval....99
6.1.2 Requirement to Attend Interview....99
6.1.3 Verification 101
6.1.4 Prior to the Briefing 101
6.1.5 Multiple Families in the Same Household....101
6.1.6 Determination of Eligibility....101
6.1.7 Split Households Prior to Voucher Issuance....101
Section 6.2.0 The Briefing....102
Section 6.3.0 Initial Applicant Briefing 102
6.3.1 Requirement to Attend Briefing....102
6.3.2 Briefing Packet....103
6.3.3 Encouraging Participation in Areas Without Low Income or Minority Concentration....104

Section 6.4.0 After the Briefing and Before Lease-up Change in Total Tenant Payment (TTP) Prior to HAP Effective Date 105
6.4.1 Income Decrease 105
6.4.2 Income Increase 105
6.4.3 Additions to Family 105
6.4.4 Family Reporting Requirements 105
Chapter 7 Request for Tenancy Approval, Owner Approval, Leases, and Contracts 106
Section 7.1.9 Introduction 106
7.1.1 Request for Tenancy Approval 106
7.1.2 Unit Size Selected 107
Subsidy Limitation 107
Utility Allowance 107
Housing Quality Standards 107
7.1.3 Rent Limitations 108
7.1.4 Disapproval of Proposed Rent 109
7.1.5 Eligible Types of Housing 109
7.1.6 Security Deposit Requirements 110
7.1.7 Tenant Screening for Suitability 110
Section 7.2.0 Information to Owners 111
Section 7.3.0 Owner Disapproval 112
7.3.1 Owner Restrictions and Penalties 113
Section 7.4.0 Lease Requirements 113
Section 7.5.0 Actions Before Lease Term 114
7.5.1 Separate Agreements 115
7.5.2 Contract Execution Process 115
7.5.3 Change in Ownership 116
Chapter 8 Housing Quality Standards and Inspections 117
Section 8.1.0 Introduction 117
8.1.1 Inspection Types and Guidelines 117
8.1.2 Initial HQS Inspection 118
8.1.3 Annual HQS Inspections 119
8.1.4 Time Standards for Repairs 119
8.1.5 Rent Increases or Extensions on 30-day Move-out Notices 120
8.1.6 HQS Breach 120
8.1.7 Move-out/Vacate Inspection 120
8.1.8 Special/Complaint Inspection 120
8.1.9 Quality Control Inspection 120
8.1.10 Additional HCHA HQS Criteria 120
Local Standards 121
8.1.11 Emergency Repair Items 121
8.1.12 Non-emergency Repair Items 122
8.1.13 Smoke Detectors 122
8.1.14 Determination of Responsibility 122
8.1.15 Consequences if Owner is Responsible 123
8.1.16 Abatement 123
8.1.17 Extension in Lieu of Abatement 123
8.1.18 Termination of Contract 123
8.1.19 Consequences if Family is Responsible 124

Chapter 9 Owner Payments, Rent Limits, and Rent Reasonableness....125
9.1.0 Introduction....125
9.1.1 Rent Limitations....125
9.1.2 Rent Reasonableness Determinations....125
9.1.3 Rent Reasonableness Methodology....127
9.1.4 Owner Payments....127
Section 9.2.0 Harford County Housing Agency Rental Assistance Programs....127
9.2.1 Excess Payments....127
9.2.2 Late Payments to Owners....127
Chapter 10 Recertifications, Interims, and Other Regular Activities....129
Section 10.1.0 Introduction....129
10.1.1 Appointments....129
10.1.2 Persons with Disabilities....129
10.1.3 Misrepresentation of Family Circumstances....129
10.1.4 Zero HAP Status....130
Section 10.2.0 Annual Activities....130
10.2.1 Annual Recertification....130
10.2.2 Moves Between Reexaminations....130
10.2.3 Reexamination Notice to the Family....131
10.2.4 Procedure....131
10.2.5 Completion of Annual Recertification....131
10.2.6 Collection of Information....131
10.2.7 Requirements to Attend....132
10.2.8 Documents/Information Required to Recertify....132
10.2.9 Verification of Information....132
10.2.10 Tenant Rent Increases....132
10.2.11 Tenant Rent Decreases....133
10.2.12 Interim Changes....133
Section 10.3.0 Procedures for Processing the Changes....133
Section 10.4.0 Increases in the Tenant Rent....134
Section 10.5.0 Decreases in the Tenant Rent....134
Section 10.6.0 Procedures if a Change is Processed by the HCHA in an Untimely Manner....134
Section 10.7.0 Reporting Additions to the Owner and the HCHA....134
Section 10.8.0 Reporting Absences to the HCHA....136
Section 10.9.0 Interim Reexamination Policy....136
10.9.1 Increases in Income....136
Section 10.10.0 Decreases in Income....137
Section 10.11.0 HCHA Errors....137
Section 10.12.0 Household Composition Changes that Require a Change in Voucher Size....138
Section 10.13.0 Notification of Results of Recertifications/Interims....138
Chapter 11 Moves with Continued Assistance, Portability....139
Section 11.1.0 Introduction....139
Moves....139
Restrictions on Moves....139
Section 11.2.0 Procedure for Transfers....140
Extension/Rescission of Transfer....140
Notice Requirements....140
Time of Contract Change....140

Assistance Termination and Overlapping Assistance 140
Section 11.3.0 Portability 140
Outgoing Portability 141
Restrictions on Portability 141
Applicants 141
Participants 142
Incoming Portability 142
Absorption of Administration 142
Section 11.4.0 Income and Total Tenant Payment of Incoming Portables 143
Requests for Tenancy Approval 144
Regular Program Functions 144
Terminations 144
Required Documents 145
Billing Procedures 145
Chapter 12 Program Review and Program Integrity 146
Section 12.1.0 Introduction 146
Section 12.2.0 Complaints to the HCHA 146
12.2.1 Categories of Complaints 146
Complaints from families 146
Complaints from owners 146
Complaints from staff 147
Complaints from the general public 147
Complaints from the press, politicians, supervisors, or other high profile individuals 147
Section 12.3.0 Criteria for Investigation of Suspected Program Abuse and Fraud 147
Section 12.4.0 Prevention of Program Abuse and Fraud 148
12.4.1 Participant Orientation Session 148
12.4.2 Owner Orientation Session 149
12.4.3 Participant Counseling 149
12.4.5 Review and Explanation of Forms 149
12.4.6 Use of Instructive Signs and Warnings 149
12.4.7 Participant Certification 149
Section 12.5.0 Other Program Integrity Activities 149
12.5.1 Detection of Program Abuse and Fraud 149
12.5.2 Quality Control File Reviews 150
12.5.3 Observation 150
12.5.4 State Wage Data Records 150
12.5.5 Credit Bureau Inquiries 150
Section 12.6.0 Allegations of Program Abuse and Fraud 151
12.6.1 File Review 151
Conclusion of Preliminary Review 151
12.6.2 Investigation of Allegations of Program Abuse and Fraud 151
12.6.3 Credit Bureau Inquiries 151
12.6.4 Verification of Credit 151
12.6.5 Employers and Former Employers 151
12.6.6 Witnesses 152
12.6.7 Other Agencies 152
12.6.8 Public Records 152
12.6.9 Interviews with Head of Household or Family Members 152
12.6.10 Overpayments to Owners 152

12.6.11 Document and/or Evidence Handling 152
12.6.12 Conclusion of the HCHA's Investigative Review 153
12.6.13 Procedures for Documented Violations 153
12.6.14 Procedural Noncompliance 153
12.6.15 Warning Notice to the Family 153
12.6.16 Overpaid Assistance 153
12.6.17 Participant Fails to Comply with the HCHA Notice 154
12.6.18 Participant Complies with the HCHA Notice 154
12.6.19 Intentional Misrepresentations 154
Knowledge that the Action or Inaction was Wrong 154
Participant Willfully Violated the Law 154
12.6.20 Disposition of Cases Involving Misrepresentations 155
Criminal Prosecution 155
Administrative Remedies 155
Section 12.7.0 Case Conference for Serious Violations and Misrepresentations 155
12.7.1 Notification to Participant of Proposed Action 155
Chapter 13 Terminations, Denials, Hearings, and Reviews 156
Section 13.1.0 Introduction 156
13.1.1 Denial or Termination of Program Participation 156
Form and Format for Denial/Termination 156
13.1.2 Extenuating Circumstances 157
13.1.3 Lease Violations 157
13.1.4 Notification of Eviction 158
13.1.5 Zero ($0) Assistance Tenancies 158
Section 13.2.0 Option Not to Terminate for Misrepresentation 159
13.2.1 Misrepresentation in Collusion with Owner 159
13.2.2 Missed Appointments and Deadlines 159
13.2.3 Procedure When Appointments are Missed or Information Not Provided 160
13.2.4 Procedures for Non-citizens 160
13.2.5 Denial or Termination Due to Ineligible Immigrant Status 160
13.2.6 False or Incomplete Information 160
Section 13.3.0 Procedure for Denial or Termination 161
13.3.1 Reasonable Accommodation 161
13.3.2 Format for Denial/Termination Notices 161
13.3.3 Required Evidence 162
Preponderance of evidence 162
Credible evidence 162
13.3.4 Termination of Contract or Lease 162
13.3.5 Termination by the Family – Moves 162
13.3.6 Termination of Tenancy by the Owner – Evictions 163
13.3.7 Evidence of Criminal Activity 163
13.3.8 Release of Sex Offender Registration Information or Criminal History Information to the Owner 163
13.3.9 Termination of Tenancy Decision 164
13.3.10 Exclusion of Culpable Household Member 164
13.3.11 Consideration of Rehabilitation 164
13.3.12 Termination of the Contract by the HCHA 165
13.3.13 Notice of Termination 165

Section 13.4.0 Informal Meetings and Reviews....166
13.4.1 Preference Denials....166
13.4.2 Informal Review Procedures....166
13.4.3 Notification of Review....167
13.4.4 Requests for Postponement....167
13.4.5 Processing the Informal Review....167
Section 13.5.0 Informal Hearings....168
Section 13.6.0 Informal Hearing Procedures....169
13.6.1 Notification of the Hearing....169
13.6.2 Requests for Postponement....169
13.6.3 Processing the Informal Hearing....169
Section 13.7.0 Hearing and Appeal Provisions for "Restrictions on Assistance to Non-citizens"....171
13.7.1 Determination of Ineligibility....172
Section 13.8.0 Mitigating Circumstances for Applicants/Participants with Disabilities....173
Chapter 14 Owner or Family Debts to the HCHA....174
Section 14.1.0 Introduction....174
14.1.2 Payment Agreements for Participating Families....174
14.1.3 Payment Agreements for Families No Longer on the Program....175
14.1.4 Debts Owed for Claims....175
14.1.5 Delinquent Payments....175
14.1.6 Debts Due to Misrepresentations/Not Reporting of Information....175
14.1.7 Program Fraud....176
14.1.8 Unauthorized Persons....176
14.1.9 Violation of Family Obligations....176
14.1.10 Renting From a Relative....176
14.1.11 Debts Due to Minimum Rent Temporary Hardship....176
14.1.12 Owner Debts to the HCHA....176
14.1.13 Writing Off Debts....177
Chapter 15 Special Housing Types, Special Programs, and Special Claims....178
Section 15.1.0 Introduction....178
Special Housing Types to Expand Affordable Housing Opportunities....178
Section 15.2.0 Single Room Occupancy (SRO)....178
SRO Rent and Housing Assistance Payment....178
Payment Standards....178
Rent Reasonable....179
Utility Allowance....179
Housing Quality Standards....179
Section 15.3.0 Congregate Housing....179
Congregate Housing Lease and HAP Contract....179
Rent Reasonable....179
Housing Quality Standards....180
Section 15.4.0 Group Homes....180
Group Home Lease....180
Group Home Rent....180
Rent Reasonable....181
Maximum Subsidy....181
Utility Allowance....181

Housing Quality Standards 181
Section 15.5.0 Shared Housing 181
Occupancy 181
Rent and HAP Contract 182
Maximum Subsidy 182
Utility Allowance 182
Housing Quality Standards 182
Section 15.6.0 Cooperative Housing 183
Housing Quality Standards 183
Manufactured Homes 184
Housing Quality Standards 184
Section 15.7.0 Manufactured Home Space Rental 184
Reasonable Rent 184
Payment Standard 185
Subsidy Calculation 185
Utility Allowance Schedule for Manufactured Home Space Rental 185
Section 15.8.0 Homeownership 186
Section 15.8.1 General 186
15.8.2 Eligibility Requirements 186
15.8.3 Ranking Preferences 187
15.8.4 Homeownership Counseling Requirements 188
15.8.5 Eligible Units 188
15.8.6 HCHA Search and Purchase Requirements 189
15.8.7 Inspection and Contract 190
15.8.8 Financing 190
15.8.9 Downpayment Assistance Grants 191
15.8.10 Continued Assistance 192
15.8.11 Maximum Term of Homeownership Assistance 192
15.8.12 Homeownership Assistance Payments and Homeownership Expenses 193
15.8.13 Portability 194
15.8.14 Moving with Continued Assistance 194
15.8.15 Denial or Termination of Assistance 194
15.8.16 Recapture of Homeownership Assistance 195
15.8.17 Project Selection Process 195
15.8.18 Application Requirements 196
Section 15.9.0 Program Administration 196
15.9.1 Inspection of Projects and Units 196
15.9.2 Maintenance of Projects 197
15.9.3 Waiting List 197
15.9.4 Vacancies 198
15.9.5 Assistance 198
15.9.6 Initial, Annual, and Ongoing Activities 199
Glossary 200
Acronyms Used in Subsidized Housing 200
Glossary of Terms in Subsidized Housing 202
Glossary of Terms Used in the Non-citizens Rule 218
Appendix 1 Rules and Policies for Persons with Criminal Histories **(Effective 6/18/12)** 219
Appendix 2 Landlord Participation Requirements 232

Chapter 1 Statement of Policies and Objectives

Section 1.1.0 Background

The Section 8 Program was enacted as part of the Housing and Community Development Act (Act) of 1974, which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Tenant-Based Assistance Program are described, as implemented, throughout this Administrative Plan. The Section 8 rental assistance programs are federally funded and administered by the Harford County Housing Agency (HCHA).

Administration of the Section 8 Program and the functions and responsibilities of the housing staff shall be in compliance with the Harford County personnel policy and the Department of Housing and Urban Development's (HUD) Section 8 regulations, as well as all federal, state, and local fair housing laws and regulations.

1.1.1 Jurisdiction

Harford County, Maryland

1.1.2 Mission Statement

HCHA Mission Statement:

> To offer affordable housing and supportive services for low-income families, seniors, and those with disabilities, so they can become self-sufficient and productive residents of the community.

HUD Mission Statement:

> "To promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination."

1.1.3 Core Values and Ethical Standards

All officers or employees of the HCHA will comply with the Code of Ethics of Harford County, as well as those mandated under the Housing Choice Voucher Program. This includes compliance with the conflict of interest requirements of the Housing Choice Voucher Program under 24 CFR 982.161. The conflict of interest provision prohibits HCHA or any of its contractors or subcontractors entering into any contract or arrangement in connection with the tenant based programs in which any of the following classes or persons has any interest, direct or indirect, during tenure or for one year thereafter. The classes or persons include: (1) Any present or former member or officer of the HCHA; (2) Any employee of the HCHA, or any contractor or subcontractor or agent of the HCHA, who formulates policy or who influences decisions with respect to the programs; (3) any public official, member of a governing body, or State or local legislator, who exercise functions or responsibilities with respect to the programs; and (4) any member of the Congress of the United States.

Any members of the classes described in this section must disclose their interest or prospective interest to the HCHA and HUD. The HUD field office may waive, for good cause, the conflict of interest prohibition under this section.

All HCHA officers, employees, contractors, subcontractors, or agents will comply with all requirements that prohibit the solicitation or acceptance of gifts or gratuities, in excess of a nominal value.

All HCHA officers, employees, contractors, subcontractors, or agents will conduct business with integrity and in an honest and professional manner.

Any violations of the Code of Ethics, core values, and ethical standards policies will result in disciplinary action, ranging from letter(s) of warning to termination of employment and/or contract. Opportunity may be offered, on a case-by-cased basis, to correct a conflict of interest. Code of ethics, core values, and ethical standards policies will be communicated to the aforementioned groups upon initial employment, prior to execution of a contract, and at least annually.

1.1.4 Local Goals

[24 CFR 982.2]
To expand the supply of assisted housing and support the efforts of housing development agencies, as well as, to increase the inventory of affordable housing for families in need, as identified in local consolidated plans.

To assist the local economy by increasing the occupancy rate and the amount of money flowing into the community.

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

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

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

To administer an efficient, high-performing agency through continuous improvement of the HCHA's support systems and commitment to its employees.

To provide decent, safe, and sanitary housing for low and very low-income families while maintaining rent payments at an affordable level.

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

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

Section 1.2.0 Purpose of the Plan

[24 CFR 982.54]
The purpose of this Administrative Plan (Plan) is to establish policies for carrying out the programs in a manner consistent with HUD requirements, and in a manner consistent with local goals and objectives.

The HCHA is responsible for complying with all changes in HUD regulations pertaining to the HUD programs it administers. If such changes conflict with this Plan, HUD regulations will have precedence. The pertinent sections must be included in the agency plan with a copy provided to HUD.

Applicable regulations include the following:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance/Housing Choice Voucher Program
- 24 CFR 984: Self Sufficiency Program
- 24 CFR 985: Management Assessment Program

Local rules incorporated in this Plan are intended to promote local housing objectives consistent with the intent of federal housing legislation.

1.2.1 Administrative Error

If the HCHA discovers an administrative error that resulted in an underpayment of housing assistance payments, in accordance with HUD regulations, it will correct the error back to the previous action taken, and issue a payment to the owner, if appropriate. If the HCHA discovers an administrative error resulted in an overpayment of assistance, the error will be corrected with a 30-day advance notice. The HCHA will conform with PIH notice 2007-27 (HA).

1.2.2 Rules and Regulations

[24 CFR 982.52]
This Plan defines the HCHA's local policies for operation of the housing programs in the context of federal laws and regulations. Generally, not fully addressed in this document, are Section 8 issues governed by federal regulations, HUD memos, notices, guidelines, or other applicable law.

If any issue is not found in this plan or in the resources named above, the HCHA may address the issue with a policy notice to HCHA staff and posted on the HCHA website, unless the new policy is a significant program change as defined in the Agency Plan. The policies in this Plan have been designed to ensure compliance with the consolidated annual contributions contract (ACC) and all HUD—approved applications for program funding.

1.2.3 Terminology

The Harford County Housing Agency is referred to as the "HCHA" or "HA" or "Housing Agency" throughout this document.

"Family" is used interchangeably with "Applicant" or "Participant" or "Tenant" or "Household" and can refer to a single person family.

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

"Landlord" and "owner" are used interchangeably.

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

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

"Failure to Provide" refers to all requirements of the Family Obligations of the program as outlined elsewhere in the Plan.

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

See Glossary for additional terminology.

1.2.4 Fair Housing Policy

[24 CFR 982.54(d)(6)]
The Housing Agency will fully comply with all federal, state and local nondiscrimination laws, rules and regulations governing fair housing and equal opportunity in housing and employment. The HCHA will not deny any family or individual the equal opportunity to apply for or receive assistance under the Section 8 programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability, income source, or sexual orientation. The HA shall administer the program in compliance with the Violence Against Women Act (VAWA) and Department of Justice Reauthorization Act of 2005.

To further the HCHA commitment to full compliance with applicable civil rights laws, at the family briefing, the HCHA will provide federal/state/local information regarding unlawful discrimination, and any recourse to those who believe they are victims of a discriminatory act. All applicable fair housing information and discrimination complaint forms will be included in the voucher holder's briefing packet, and will be available upon request. The documents are also available on the HCHA's website.

All HCHA staff members may be required to attend fair housing training. These employees, in the overall commitment to quality customer service, are informed of the importance of affirmatively furthering fair housing, providing equal opportunity to all families, and providing reasonable accommodations to persons with disabilities. Fair housing posters may be displayed throughout the Housing Agency office, including in the lobby and interview rooms, and in such a manner as to be readable from a wheelchair.

The equal opportunity logo will be used on all outreach materials. To keep current with new developments, staff may attend local fair housing update training sponsored by HUD or other organizations.

Except as otherwise provided in CFR 8.21(c)(1), 8.24 (a), 8.25, and 8.31 of the regulations, no individual with disabilities shall be denied the benefits of, or be excluded from, participation in programs, or otherwise be subjected to discrimination because the HCHA's facilities are inaccessible to, or unusable by persons with disabilities.

1.2.5 Reasonable Accommodations Policy

[24 CFR 8.4(b)(i), 8.24 and 8.33]
When a family member requires an accessible feature(s) or policy modification to accommodate a disability, HA must provide such feature(s) or policy modification unless doing so would result in a fundamental alteration in the nature of the program, or an undue financial and administrative burden. It is the policy of the HCHA to be service oriented, and to exercise and demonstrate a high level of professionalism. The HCHA shall make reasonable accommodation, upon request, to the reported physical or mental limitations of an otherwise qualified person with disabilities.

A participant with a disability must ask for a specific change to a policy or practice as an accommodation of his or her disability before the HCHA will treat him or her differently than anyone else. The HCHA's policies and practices are designed to, upon request, provide reasonable accommodations to persons with disabilities, so they may fully access and utilize the housing program and related services. The availability of reasonable accommodation is made known by including the information on the Housing Agency's forms and letters. This policy will afford persons with disabilities an equal opportunity to obtain the same result, gain the same benefit, or reach the same level of achievement as those who do not have disabilities.

This policy is applicable to all situations described in this Plan, including when a family initiates contact with the HCHA, or when the HCHA initiates contact with a family. This policy is applicable when a family applies for assistance, as well as when the HCHA schedules or reschedules appointments of any kind.

In order to process a request for a reasonable accommodation, the requester must make the request in advance and may be required to certify (if apparent) or verify (if not apparent) to be an individual with a disability under the following definition: a physical or mental impairment that substantially limits one or more of the major life activities of an individual; a record of such impairment; or being regarded as having such an impairment; does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program.

Note: This is not the same as the HUD definition used for purposes of determining allowances.

Rehabilitated former drug users and alcoholics are covered under the Americans with Disabilities Act (ADA). However, a current drug user is not covered. In accordance with 24 CFR Part 8.3, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued. The HCHA will require at least annually that a professional third party competent to make the assessment of disability provide written verification that the individuals need a specific accommodation due to their disability, exactly what accommodation is recommended, exactly how this accommodation will allow them to fully access the program, and that the change is required for them to have equal access to the housing program. If the HCHA finds that the requested accommodation creates an undue administrative or financial burden, then it will either deny the request and/or present an alternate accommodation that will still meet the need of the person. An undue administrative burden is one that requires a fundamental alteration of the essential functions of the HCHA (i.e., waiving a family obligation or criminal history prohibition). An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on the HCHA The HCHA will provide a written decision to the person requesting the accommodation within a reasonable time. If a person is denied the accommodation, or feels that the alternative suggestions are inadequate, he/she may request an informal meeting with a supervisor to discuss the HCHA's decision. Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. In addition, a designee may represent the individual with a disability, but only with written permission of the disabled person.

1.2.6 Verification of Disability

The HCHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and Americans with Disabilities Act.

1.2.7 Limited English Proficiency (LEP)

The HCHA provides appropriate assistance to its clients at a reasonable expense due to the recruitment of multi-lingual staff and availability of outside resources to provide a mixture of LEP services for interpretation and translation.

1.2.8 Translation of Documents

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

- The availability of local organizations to provide translation services to non-English speaking families.
- Bilingual staff available to provide translation for non-English speaking families.
- The need of clientele for translated documents.

Section 1.3.0 Applying For Admission

All persons who wish to apply for any of the HCHA's programs must submit pre applications. Applications will be made accessible upon request from a person with a disability.

To provide specific reasonable accommodation to persons with disabilities, upon request, the information may be mailed to the applicant, mailed to the applicant's contact person, completed by a designee, or any other specified reasonable accommodation.

The full application is completed in the applicant's own handwriting, unless the applicant is a disabled person who requests assistance or other accommodation. The HCHA staff may interview applicants to review the information on the full application form.

Verification of disability as it relates to 504, Fair Housing, or ADA reasonable accommodation may be requested at that time, or mailed to the applicant. All applicants are advised that reasonable accommodations are available.

1.3.1 Management Assessment Objectives

The HCHA can demonstrate to HUD auditors that it applies resources in a manner that reflects its commitment to quality and service. The HCHA policies and practices are consistent with following HUD and SEMAP requirements:

- Selection from the waiting list.
- Reasonable rent.
- Determination of adjusted income.
- Utility allowance schedule.
- Expanding housing opportunities.
- FMR/exception rent and payment standards.
- Annual reexaminations.
- Correct tenant rent calculations.
- Pre-contract HQS inspections.
- Annual HQS inspections.
- Lease rate.
- Family self-sufficiency enrollment and escrow account balances.
- De-concentration of families.

A supervisor, or other qualified person, other than the person who performed the work, will perform supervisory quality control reviews, as required by HUD, on the following SEMAP factors:

- Selection from the waiting list.
- Rent reasonableness.
- Determination of adjusted income.
- HQS enforcement.
- HQS quality control.

The annual sample of files and records is drawn randomly from computer-generated lists or other reports, such as field logs, which leave a clear audit trail.

The SEMAP required minimum sample size is reviewed for all SEMAP indicators that require a random sample.

1.3.2 Insufficient Funding

[24 CFR 982.314(e)(1), 982.454]
Regulations allow the HCHA to deny families permission to move and to terminate Housing Assistance Payments (HAP) Contracts if funding, under the consolidated ACC, is insufficient to support annual program HAP expenses. If the HCHA determines that it has insufficient funding to support its active contracts, it may take any or all of the following actions that it deems appropriate and necessary to reduce its HAP costs:

1. Reduce payment standards if payment standards exceed 90% of the current FMR.
2. Reduce subsidy standards.
3. Eliminate exceptions to subsidy standards.
4. Terminate HAP contracts.
5. Deny permission to move to higher cost units.
6. Deny permission to move.

If the HCHA determines that the necessary action to reduce HAP costs within the funding level is to terminate HAP contracts, it will terminate HAP contracts based on one of the following criteria:

1. Terminate HAP contracts on units with gross rents that exceed the new payment standards and offer landlords new contracts under the current subsidy standards and payment standards.
2. Terminate HAP contracts for nondisabled, non elderly households that have been on the program the longest amount of time.

1.3.3 Records for Monitoring Performance

In order to demonstrate compliance with HUD's and other pertinent regulations, the HCHA will maintain and retain records, reports and other documentation in accordance with HUD requirements. These records will be maintained in a manner that will allow an auditor, housing professional, to follow, monitor and or/assess the HCHA's operational procedures objectively, with accuracy, and in accordance with SEMAP requirements and internal management controls.

In addition to the required SEMAP documentation, supervisory staff will monitor the following functions:

- All annual recertifications will be monitored for completion at least 30 days before the re-exam due date.
- All annual inspections will be monitored for completion at least 30 days before the due date.
- All new applications will be monitored for compliance with the regulations.

1.3.4 Record Keeping

[24 CFR 982.158]
The HCHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the HCHA must ensure that all applicants' and participants' files are maintained in a way that protects an individual's privacy rights.

During the term of each assisted lease, and for at least three years thereafter, the HCHA must keep the following:

- A copy of the executed lease.
- The HAP contract.
- The application from the family.

The HCHA must keep for at least three years:

- Records that provide income, racial, ethnic, gender and disability status data on program applicants and participants.
- An application from each ineligible family and notice that the applicant is not eligible.
- HUD required reports.
- Unit inspection reports.
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting HA budget and financial statements for the program.
- Records to document the basis for HCHA determination that rent to owner is reasonable rent (initially and during the term of the HAP contract).
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents.

All HCHA applicants' and participants' files and information will be kept in secure locations with access restricted to authorized personnel.

1.3.5 Criminal Records

The HCHA may only disclose criminal conviction records received from a law enforcement agency to officers or employees of the HCHA, or to authorized representatives of the HCHA who have a job-related need to access the information. [24 CFR 5.903(e)]. The HCHA maintains such criminal records in secure areas that are accessible only to authorized personnel. Staff is instructed to not misuse or improperly disseminate these records, which are destroyed after they are no longer needed. [24 CFR 5.905(g)]. This requirement does not apply to information that is public information or is obtained by the HCHA under 24 CFR 5.905.

1.3.6 Medical Disability Records

The HCHA will not inquire about the specific nature or extent of a person's disability. The HCHA will not inquire about a person's diagnosis or details of treatment for a disability or medical condition.

1.3.7 Children with Environmental Blood Lead Levels

The HCHA has certain responsibilities relative to children with environmental intervention blood lead levels who are receiving HCV assistance. The HCHA is subject to specific reporting requirements, data collection, and record keeping responsibilities.
The HCHA is required to report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The HCHA will provide the public health department notice that, upon request, the name and address of any child identified as having an environmental intervention blood lead level is available.

1.3.8 Data Collection

At least quarterly, the HCHA must attempt to obtain from the public health department(s), with a similar area of jurisdiction, the names and/or addresses of children less than six years old with an identified environmental blood lead level and match this information with the names and addresses of families receiving HCV assistance.

1.3.9 Privacy Rights

[24 CFR 982.551 and CFR 5.212]
Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD/HCHA will release family information.

The HCHA's policy regarding release of information is in accordance with state and local laws that restrict the release of family information.

The HCHA will not request specific information regarding a person's disability.

The HCHA will ask that a health professional confirm that a person's disability indicates a need for specified services or accommodation. If specific information is received regarding the disabled person's disability, the information will be kept confidential and be destroyed in a confidential manner after a determination has been made.

The HCHA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicants' and participants' files are stored in a secure location, only accessible to authorized staff.

HCHA staff will not discuss or disclose family information contained in files, upfront income verification (UIV) information, or third party verifications, except for a business reason. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action. Security access for the Enterprise Income Verification (EIV) systems will be reviewed quarterly and all users will have a signed user agreement on file. The HCHA will not disclose information obtained through the EIV system to any person other than the person the income information pertains to, even if another person has a release of information. In addition, the HCHA will not take any adverse action against the family as a result of information obtained from the EIV system, but may take action if the information is confirmed by the family member or a third party.

Unauthorized persons may not remove files from secure storage areas.

The collection, maintenance, use and dissemination of social security numbers (SSN), employer identification number (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974 and all other provisions of federal, state, and local law.

Section 1.4.0 Outreach Activities

1.4.1 Family Outreach

[24 CFR 982.206]
The HCHA will, on a regular basis, publicize and disseminate information to make known the availability of housing assistance and related services for very low- income families. If the HCHA's waiting list is closed and then reopened, the HCHA will publicize the availability and nature of housing assistance for very low-income families in a newspaper of general circulation, minority media, or by other suitable means.

To reach persons who cannot read newspapers, the HCHA will distribute fact sheets to the broadcasting media, and may initiate personal contacts with members of the news media and community service personnel. The HCHA may also utilize public service announcements.

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

1.4.2 Owner Outreach

[24 CFR 982.54 (d)(5)]
The HCHA makes a concerted effort to keep private owners informed of applicable legislative changes in program requirements.

The HCHA encourages owners of decent, safe and sanitary housing units to lease to Section 8 families.

The HCHA encourages participation by owners of suitable units located outside areas of high poverty or minority concentration.

The HCHA conducts periodic meetings with owners, upon request, to improve owner relations and to recruit new owners.

The staff of the HCHA initiates personal contact with private property owners and managers by telephone, or, upon request, at informal discussions and meetings.

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

The HCHA actively participates in community-based organizations comprised of private property and apartment owners and managers.

The HCHA may periodically:

- Develop working relationships with owners and real estate broker associations.
- Establish contact with civic, charitable and neighborhood organizations, and public agencies which have an interest in housing for low-income families.

Section 1.5.0 Issuance of Vouchers

[24 CFR 982.204(d), 982.54(d)(2)]
When funding is available, the HCHA issues vouchers to eligible applicants. The HCHA strives to issue enough vouchers to maintain a 100 percent lease-up rate, while managing within the available funding. The HCHA performs a monthly calculation to determine whether applications should be processed, the number of vouchers that can be issued, and to what extent vouchers can be over-issued (issue more vouchers than the budget allows to achieve maximum lease-up rate).

The HCHA may over issue vouchers to the extent necessary to meet leasing goals, if funding is available. All over-issued vouchers will be honored, unless the HCHA has insufficient funds to support the voucher, in which case the voucher will be suspended until there is sufficient funding.

If the HCHA finds it is over-leased, it must adjust its future issuance of vouchers so as not to exceed the Annual Contributions Contract (ACC) fiscal year budget limitations.

1.5.1 Payment Standards

[24 CFR 982.503]
The payment standard is the basis for calculating the maximum subsidy a family may receive. In accordance with HUD regulations, and at the HCHA's discretion, the voucher payment standard amount is between 90 percent and 110 percent of the HUD published FMR. This is considered the basic range. The HCHA reviews the appropriateness of the payment standard annually upon publication of the new FMRs. The HCHA may at any time make the administrative decision to adopt a payment standard that is from 90 percent to 110 percent of the most recently published FMR, unless HUD approves an exception payment standard.

The HCHA will establish a single voucher payment standard amount for rental assistance, unless HUD has published more than one FMR area for its jurisdiction. For each FMR area, the HCHA will establish payment standard amounts for each unit size. The HCHA may, subject to available funding, adopt a FMR of up to 110 percent of FMR, if needed to expand housing opportunities outside areas of minority or poverty concentration. The HCHA may request an exception payment standard or adopt a higher payment standard for its Section 8 Homeownership participants.

The HCHA may, if funding is available, also approve a higher payment standard up to 110 percent of FMR, if required as a reasonable accommodation for a family that includes a person with disabilities.

Upon release of FMRs, the HCHA must update its payment standards, if the payment standards are no longer within the basic range of 90-110% of the current FMR.

The HCHA may review its payment standards in the following situations:

- Upon release of new FMRs.
- Upon funding changes.
- Upon management directive.

The HCHA may also review its payment standards to determine if a payment standards change could alleviate participants' excessive rent burden, improve the quality of assisted units, increase unit availability, decrease lease-up time, or improve voucher utilization or success rate.

The payment standards may be changed at any time, and payment standards increases will not be applied retroactively to completed recertifications.

1.5.2 Adjustments to Payment Standards

[24 CFR 982.503]
Payment standards may be adjusted, depending on available funding, within HUD regulatory and financial limitations to increase housing assistance payments to keep family rents affordable. The HCHA will not raise payment standards solely to make "high end" units available to voucher holders. The HCHA may use some or all of the measures below in making its determination of whether an adjustment should be made to the payment standards.

1.5.3 Assisted Families' Rent Burdens

The HCHA may review its voucher payment standard amounts to determine whether more than 40 percent of families in a particular unit size are paying more than 30 percent of their annual adjusted income for rent. If it is determined that the rents of particular unit sizes in the HCHA's jurisdiction are creating rent burdens for families, the HCHA may modify its payment standards for those particular unit sizes.

The HCHA may establish a separate voucher payment standard, within the basic range, for designated parts of its jurisdiction, if it determines that a higher payment standard is needed in these designated areas to provide families with quality housing choices, and to give families an opportunity to move outside areas of high poverty or into neighborhoods with greater opportunity.

1.5.4 Quality of Units Selected

The HCHA may review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are needed to reach the mid-range of the market.

1.5.5 Families' Rent Burden Analysis

The HCHA may review the average percent of income that families on the program are paying for rent. If more than 40 percent of families are paying more than 30 percent of monthly-adjusted income for a particular unit size, the HCHA may evaluate the number of families renting units larger than their voucher size, or luxury or high-end units.

If families are paying more than 30 percent of their income for rent, due to the selection of larger bedroom size units or luxury units, the HCHA will decline to increase the payment standard. If this is not the primary reason for the families' rent burden, the HCHA will continue increasing the payment standard within HUD regulatory limitations.

1.5.6 Rent to Owner Increases

The HCHA may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

1.5.7 Time to Locate Housing

The HCHA may consider the average time period for families to lease up under the voucher program. If voucher holders are unable to locate suitable housing within their voucher term due to unaffordable rents, the payment standard may be adjusted, if funding permits.

1.5.8 Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the payment standard. Additionally, statistical analysis may reveal that the payment standard should be lowered. In any case, the payment standard will not be set below 90 percent of the FMR, without authorization from HUD.

1.5.9 Financial Feasibility

Before increasing the payment standard, the HCHA may review its budget to determine the impact of projected subsidy increases on funding available for the program and the number of families served.

For this purpose, the HCHA will compare the number of families served under higher payment standards to the number assisted under current payment standards.

1.5.9(a) Exception Payment Standards

If the dwelling unit is located in an exception area, the HCHA must use the appropriate payment standard amount established for the exception area in accordance with Regulation 24 CFR 982.503(c).

1.5.9(b) Subsidy Standards

[24 CFR 982.402(a)(b)]
The HCHA may take the administrative action at any time, if warranted by HUD funding limitations and/or reductions, to reduce its subsidy standards to two persons per bedroom and living area with no exceptions.

The HCHA may take the administrative action at any time to increase its subsidy standards, if funding allows, and if necessary to improve or maintain the viability of the program.

Section 1.6.0 Utility Allowance and Utility Reimbursement Payments

[24 CFR 5.632, 982.517]
The same utility allowance schedule is used for all tenant-based programs.

The utility allowance is intended to cover the cost of essential utilities not included in the rent, including the cost of tenant-provided/paid refrigerators, ranges, trash collection, water, sewer, gas, and electricity. 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 utility allowance schedule must include essential utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. However, the HCHA may not include allowances for non-essential utility costs such as cable, satellite television, telephone, or Internet connection.

The HCHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, cooking, air conditioning, water heating, water, sewer, trash collection, other electric, refrigerator (for tenant supplied refrigerator), and range (for tenant-supplied range).

An allowance for tenant-paid air conditioning will be provided in those cases where the majority of housing units in the market have central air conditioning, or are wired for tenant-installed air conditioners [24 CFR 982.517].

Given the often lower amount of the utilities than for other dwelling types, separate "flat rate" utility allowances for certain utilities may be allowed for mobile homes in parks. Flat rate utilities are utility expenses charged to a mobile home owner by the mobile home park based on either sub metering, or total park costs divided among the residents by a set formula.

Complexes of five or more units may charge flat rate utilities based on the aforementioned formula. However, owners of houses, townhouses, duplexes, triplexes, or fourplexes are not allowed to charge the tenants for shared-meter utilities.

The HCHA will review and revise the utility allowance schedule annually.

Revised utility allowances *will* be applied in a participant family's rent calculation at the next reexamination.

The approved utility allowance schedule is given to families along with their voucher. The utility allowances are based on the actual unit size selected.

When families, including mobile home owners and Section 8 Homeownership participants, provide their own ranges and refrigerators, the HCHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate new or used appliance over a twelve-month period.

Utility allowances for family-provided ranges/and or refrigerators will not be given if the owner has available a range and/or refrigerator, but it is the family's preference to provide its own appliances.

When the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 5.632], the HCHA will provide a utility reimbursement payment for the family each month. The check will be issued to the service provider, when possible.

Chapter 2 Waiting List

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

Section 2.1.0 Introduction

The HCHA'S objective is to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admission in accordance with the policies in this Administrative Plan.This chapter explains the local preferences that the HCHA has adopted to meet local housing needs, defines the eligibility criteria for the preferences, and explains the HCHA'S system of applying them.

By maintaining an accurate waiting list, the HCHA is able to perform the activities in a manner that ensures an adequate pool of qualified applicants is available for the timely use of program funds.

The policy of the HCHA is to ensure that all families interested in housing assistance are given an equal opportunity to apply and are treated in a fair and consistent manner. This chapter describes the policies and procedures for completing an initial application for assistance, the placement, and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the HCHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made.

2.1.1 Order of Selection

[24 CFR 982.204(d) and (e)]
The HCHA will select families according to date and time of application within preference groups. The HCHA will bypass families to select families that meet specific criteria if it receives targeted funding for those specific families. The HCHA cannot bypass higher-cost families it has insufficient funds to assist in order to select families it can afford to assist.

Families will be selected from the waiting list based on the targeted funding or selection preferences(s) for which they qualify, and in accordance with the HCHA'S hierarchy of preferences. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their waiting list application is received.

2.1.2 Local Preferences

[24 CFR 5.410]
The following local preferences are established. When determining equally ranked preferences, the date and time of application is the final deciding factor.

2.1.3 Ranking Preferences

Please refer to the glossary for definitions of the following groups.

2.1.4 Super Preference

The HCHA has established "super preferences" for **three (effective 8/1/12)** groups: (1) Applicants who are being assisted by the HCHA under the Families with Disabilities Program (HOPWA) whose assistance is expiring. This selection preference is superior to the following ranking preferences. (2) Families displaced by government action or disaster. **(3) Disabled individuals ready to exit institutional care (effective 8/1/12).**

2.1.5 Category One

The HCHA uses equally weighted local preferences for applicants, with priorities for those who live or work in the HCHA's jurisdiction and are in one or more of the following categories:

- Families with dependent children.
- Working families - (At least one member must have worked at least 32+ hours per week for the previous 12 months. Applicants may combine job training or academic program participation as part of the previous 12-month requirement. Applicants receiving unemployment, disability, or workman's compensation benefits will be considered qualifying under this preference if those benefits were the result of 12 continuous months of employment at 32+ hours per week up to the start of the above referenced benefits).
- Elderly families (head of household or spouse is 62 years of age or older).
- Disabled families (head of household or spouse is disabled).
- Veterans or surviving spouses of veterans (other than dishonorable discharge).
- Homeless.

2.1.6 Category Two

Applicants who live or work in the HCHA's jurisdiction, but who do not fit in Category One.

2.1.7 Category Three

Applicants who <u>do not</u> live or work within the HCHA's jurisdiction, but are one or more of the following:

- Families with dependent children.

2.1.8 Category Four

All other applicants not indicated above.

Section 2.2.0 General Waiting List Management

[24 CFR 982.204]

The HCHA uses a single waiting list for admission to its Section 8 tenant-based assistance program.

2.2.1 Applications for Program Admission

All applicants will be selected from the waiting list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan.

2.2.2 Special Admissions

The HCHA may admit up to ten percent of its annual admissions as special admissions [24 CFR 982.54(d)(3), 982.203]. However, these special admissions must be funded by special HUD-targeted funding. Examples of this special funding include the following:

1. A family displaced due to demolition or disposition of a public housing project.
2. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project. For housing covered under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (41 U.S.C. 4101 et seq).
3. A non-purchasing family residing in a project subject to a homeownership program (under 24 CFR 248.173).
4. A family displaced due to mortgage prepayment or voluntary termination of a mortgage insurance contract (as provided in 24 CFR 248.165).
5. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term.

2.2.3 Targeted Funding

Under 24 CFR 982.204(e), HUD may award the HCHA funding for a specified category of families on the HCHA waiting list. The HCHA will use this funding to assist the families who have been on the HCHA waiting list the longest amount of time, who reside in the jurisdiction of the HCHA, and who are determined to fall in the specified category required by the funding source.

2.2.4 Taking Application for the Waiting List

The HCHA, at the time of preliminary application, will collect the following information necessary for proper selection from the waiting list:

- Applicant name.
- Applicant address.
- Date and time of application.
- Qualification for any local preference.
- Gross annual income.
- Disabled or elderly household.
- Racial or ethnic designation of the head of household.
- Other targeted program qualifications.
- Household composition.

An application for placement on the waiting list may be taken by telephone, in writing, on-line via a web-based internet applications system, or from an applicant who visits the office. All possible reasonable accommodations will be provided to families with persons with disabilities, if requested in advance per the reasonable accommodation policy. Bilingual staff is available to take waiting list applications of those with limited English proficiency, or the services of the language line are utilized to assist applicants of limited English proficiency.

An applicant will not require an interview, information may not be verified, and eligibility may not be determined until the applicant's name has reached the top of the waiting list. Preferences may not be verified until final selection from the waiting list occurs [24 CFR 982.207]. All applicants will be treated equally on the waiting list in accordance with preferences, policies, and regulations. An applicant to the waiting list may be, at the discretion of the waiting list supervisor, required to provide verification of eligibility, such as proof of residence or proof of income. Applicants determined to be ineligible will not be placed on the waiting list. Applicants who have been, or are in the process of being terminated from the Section 8 Rental Assistance Program, or other federal housing programs, for violent or drug-related criminal activities that involve sales or production, will not be placed on the waiting list for five years from the date of termination. For all other violations, applicants will not be placed on the waiting list for three years from the date of termination. Applicants who owe money to a housing authority cannot apply until the debt is paid. If the applicant challenges the denial of placement on the waiting list, the applicant will be advised of the right to request an informal review.

Applicants are required to inform the HCHA of changes in address. Applicants are also required to respond to requests from the HCHA to update information on their application, or to determine their continued interest in assistance. Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference.

When an applicant claims an additional preference, he/she will be placed on the waiting list in the appropriate order determined by the newly claimed preference.

Applicants on the waiting list with equal preference status will be organized by date and time of their applications.

2.2.5 Pulling Applicants From the Waiting List

Applicants will not be pulled from the waiting list for eligibility processing unless funding is available. When funding is available, applicants will be pulled by preference group and income targeting guidelines and in proper order as determined by their date and time of placement on the waiting list. The method of selection from the waiting list will be clearly documented [24 CFR 982.207(e)].

Section 2.3.0 Return to the Waiting List

2.3.1 Applicants Who Must Reapply

Applicants who reapply to be placed back on the waiting list will be positioned on the waiting list as of the date and time they reapply.

If the family declines the offer of a voucher, the family will not be eligible to be returned to the waiting list. The family must reapply to the waiting list.

A family whose application is denied for failure to provide information must reapply to be placed back on the waiting list. A family found ineligible for assistance must reapply to be placed back on the waiting list.

Applicants found ineligible for assistance because they exceed the current HUD published Section 8 income limits must reapply to be placed back on the waiting list.

2.3.2 Applicants Reinstated at Original Date and Time of Application

Applicants removed from the waiting list will be given the benefit of the doubt if there is a possibility they were removed from the waiting list through no fault of their own. These applicants may be reinstated on the waiting list if there is a possibility they were not notified, such as in the case of only one notice being issued. In order to be reinstated, applicants must submit a statement under penalty of perjury, requesting reinstatement and stating that they had either submitted changes of address to the HCHA in a timely manner, that they had not changed their address, or that they should be reinstated as a reasonable accommodation.

2.3.3 Applicants Returned to the Waiting List at Original Date and Time of Application

If a family requests its name be returned to the waiting list at its former date and time of application prior to the completion of the eligibility process, the family may be returned to the waiting list as inactive unless is has been determined the family is ineligible. Otherwise eligible applicants pulled from the waiting list and found not to meet preference or income-targeting requirements will be returned to the waiting list at original date/time of application.

2.3.4 Change of Household While On the Waiting List

While the applicant is on the waiting list, the HCHA will not change the head of household unless it receives either: (1) Notarized statement from the head of household requesting the head of household be changed and documentation indicating replacement was residing with the head of household at the time of the original application; (2) Death certificate, if head of household died **and** proof (utility bills and lease agreement reflecting address on record, marriage certificate, joint bank account statements, jointly owned property, etc.) that the person requesting to become head of household was a significant other who resided with that person at the time of that person's death. However, when the applicant is selected from the waiting list, the listed head of household must be included in the eligibility determination.

An estranged significant other may be allowed to take the place of the head of household if he/she provide documentation (lease agreement, notarized statement from property owner, joint bank account or other property records) indicating he/she resided with the head of household at the address reflected on the waiting list records and was part of the head of household's family unit. Before this change is made, a letter must be mailed to the head of household advising him/her that a request has been made to change his/her status on the waiting list. He/she will be advised that he/she will be dropped from the waiting list if he/she does not respond within 14 days. If there is no response by the deadline, telephone contact will be attempted and documented. After that, if the requester provides adequate documentation, the head of household may be changed to the remaining significant other. All documentation of this action must be retained for three years.

Information regarding a person's waiting list status may only be provided to the applicant. The HCHA must receive a written release of information from the applicant before information will be provided to a third party.

Section 2.4.0 Point in Time That Family Must Be Eligible For Processing

A family selected from the waiting list is determined eligible or not eligible for eligibility processing based upon information provided on the eligibility declaration, the supporting documents submitted and independent verification by the HCHA. The family must be eligible for the preferences it has claimed, income limits, and targeting, and jurisdiction priority as of the date it was pulled from the waiting list.

A family change in circumstances after the date the family was pulled from the waiting list for eligibility processing will not be evaluated for a possible change in preference status, jurisdiction, income limits, and targeting, unless the family change in circumstances, prior to voucher issuance, results in the family's income exceeding 50% of area median income, in which case, the family must be denied program admission. The following scenarios are handled as follows:

2.4.1 Scenario Number One

A family met admission preferences and income targeting requirements as of the point of time of being pulled from the waiting list, but during the full application process, the family moved outside of the HCHA's jurisdiction. The family may continue to be processed for admission.

2.4.2 Scenario Number Two

A family was over income at the time it was pulled from the waiting list, but then the income was reduced as a result of termination of employment. The family must be denied as being over income at the time it was pulled from the waiting list and must reapply.

2.4.3 Scenario Number Three

A family was at or below 30% of area median income at the time it was pulled from the waiting list, and then its income increased to more than 30% of AMI but at or below 50% of AMI, prior to completion of the full application and issuance of the voucher. The family met the income targeting requirements when it was pulled from the waiting list and is still income-eligible at completion of the full application and issuance of the voucher, so the family may be processed for admission.

2.4.4 Scenario Number Four

The family was income-eligible at the time it was pulled from the waiting list, but started working prior to the completion of the full application, which resulted in the family's income exceeding 50% of the AMI. The family must be denied as over-income, and future changes in the family's circumstances cannot be considered; e.g., the family member quits his/her job. The family must reapply to the waiting list.

2.4.5 Scenario Number Five

The family's income increases after it was issued a voucher. The income increase will be handled in accordance with the HCHA's current interim policy, and will not be processed until the family's next annual reexamination after the family leases into an assisted unit.

Section 2.5.0 Income Targeting

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year, the HCHA will reserve a minimum of seventy-five percent (75%) of its Section 8 new admissions for families whose income does not exceed thirty percent (30%) of the area median income. HUD refers to these families as extremely low- income families. The HCHA will admit families who meet the HCHA's preferences and who qualify under the extremely low-income limit to meet the income-targeting requirement. The HCHA's income-targeting requirement does not apply to low-income families continuously assisted, as provided for under the 1937 Housing Act. The HCHA is also exempt from this requirement when providing assistance to low-income or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

Section 2.6.0 Other Housing Assistance

[24 CFR 982.205(b)]
Other housing assistance means a federal, state, or local housing subsidy, as determined by HUD, including public housing.

If an applicant has applied for, received, or refused other housing, the HCHA will not:

1. Refuse to list the applicant on the HCHA's waiting list for tenant-based assistance.
2. Deny appropriate admission preferences to a qualified applicant.

3. Change the applicant's appropriate ranking order on the waiting list.
4. Remove the applicant from the waiting list. However, the HCHA may remove the applicant from the waiting list for tenant- based assistance, if the applicant has refused voucher program assistance.

Section 2.7.0 Purging

The waiting list will be purged periodically to ensure that it is current and accurate. In order to purge the waiting list, a notice will be mailed asking applicants for confirmation of continued interest. All notices requiring a response will state that failure to respond within fourteen days will result in the applicant's name being inactivated on the waiting list. If the applicant provides information that he/she did not respond to the notice because of a family member's disability, the HCHA will reinstate the applicant at the original date and time of application. The family will also be reinstated if there is any possibility the family was not notified due to circumstances that were beyond the family's control, as notated in the reinstatement policy outlined elsewhere in this Plan.

Section 2.8.0 Opening/Closing the Waiting List

[24 CFR 982.206, 982.54(d)(1)]
It is generally the policy of the HCHA not to close the waiting list. However, the HCHA may stop accepting applications, if the waiting list contains enough applicants to fill anticipated openings for the following 24 months. If the HCHA closes its waiting list, it will advertise reopening its waiting list through public notices in appropriate media outlets.

The HCHA also may issue news releases to radio and/or television stations, and provide presentations to organizations that provide assistance to special population groups, such as the elderly or the disabled.

Upon request from a person with a disability, additional time will be given as a reasonable accommodation for submission of an application after the closing deadline, if there is a closing deadline. This reasonable accommodation is to allow persons with disabilities the greatest possible opportunity to submit an application.

Chapter 3 Eligibility for Admission and Participation

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

Section 3.1.0 Introduction

This chapter defines both HUD's and the HCHA's criteria for admission to and ongoing participation in the program. The policy of the HCHA is to strive for objectivity and consistency in applying program requirements to evaluate the eligibility of families who apply. HCHA staff will review all information provided by the family carefully. In all cases, families will receive an explanation of the basis for any decision by the HCHA regarding eligibility.

3.1.1 Screening Applicants/Participants

All applicants will be screened without preference. Owners select tenants according to their own screening criteria.

3.1.2 Purpose of Screening Applicants and Participants

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 a controlled substance illegally, or terrorize neighbors. It is the intention of the HCHA to fully endorse and implement a policy designed to:

1. Help create and maintain a safe and drug-free community.
2. Keep program participants and their families free from threats to their personal safety.
3. Support parental efforts to instill values of personal responsibility and hard work.
4. Help maintain an environment where children can live safely, learn, and grow up to be productive citizens.
5. Assist families in their vocational/educational goals in the pursuit of self-sufficiency.
6. Not tolerate or enable families to act irresponsibly or in a manner that negatively affects others.

3.1.3 Screening Process

All screening and termination of assistance procedures shall be administered fairly, and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, age, religion, familial status, disability, gender, or other legally protected groups.

To the maximum extent possible, the HCHA will involve other community and governmental entities in the promotion and enforcement of this policy.

This policy will be provided to applicants and participants upon request.

3.1.4 Eligibility Factors

[24 CFR 982.201; 982.551]

3.1.5 Definitions

Covered person, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Drug means a controlled substance, as defined in Section 102 of the Federal Controlled Substances Act (21 U.S.C. 802), and its illegal use, as defined under federal guidelines, is prohibited.

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Guest, for purposes of this chapter and 24 CFR Part 5, Subpart A, and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

Household, for the purposes of 24 CFR Part 982 and this chapter, means the assisted family and HCHA-approved live-in aide and foster children.

Other person under the tenant's control, for the purposes of the definition of *covered person*, for 24 CFR Parts 5 and 982, and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Violent criminal activity means any criminal activity that has, as one of its elements, the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Other criminal activity is criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents or persons residing in the immediate vicinity of the premises which may include but are not limited to, theft, vandalism, gang affiliation, prostitution or soliciting for prostitution, extortion, disturbing the peace, unlawful entry, etc.

"Engaged in or engaging in" criminal activity is a criminal act, as defined in this Plan, by an applicant or participant or household member, which may or may not have resulted in the arrest and/or conviction of the applicant, participant, or household member.

3.1.6 Eligibility for Admission

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional eligibility criteria established by the HCHA. In an effort to prevent future criminal activity, as well as other patterns of behavior that pose a threat to the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises, as required by 24 CFR 982, Subpart L, and CFR Part 5, Subpart J**,** the HCHA will screen applicants as thoroughly and fairly as possible for illegal drug-related activities, alcohol abuse activities, sex offender registration requirement, violent criminal behavior, and other activities that may negatively impact others. Such screening will apply to any member of the household who is 18 years of age or older; however, evidence of prohibited criminal activities conducted by minors in the household will also be cause for denial of assistance.

Admission to the program is *never* based on the following [982.202(b)]:

1. Where a family lives prior to admission to the program.
2. Where the family will live with assistance from the program.
3. Discrimination of a family because it includes unwed parents, recipients of public assistance, or children born out of wedlock.
4. Discrimination of a family because it includes children.
5. A family's participation in a family self-sufficiency program.
6. Other reasons as listed in the "Fair Housing and Reasonable Accommodations" sections.

Eligibility criteria include the following:

1. The applicant's income [24 CFR 982.201(b), 982.353] must be within the appropriate income limits as follows: The applicant must have an annual income at the time of admission that does not exceed the income limits for occupancy established by HUD.
2. The head or spouse is at least 18 years of age, or emancipated minors under state law.
3. The family must be taken from the waiting list in order of preference and income targeting guidelines.
4. The family is composed of one or more persons.
5. The HCHA will not admit families whose income exceeds 50 percent of the area median income, except those families included in 24 CFR 982.201(b) as described below. To be income eligible, the family may be under the low-income limit in any of the following categories [24 CFR 982.201(b)]:

1. A very low-income family.
2. A low-income family that is continuously assisted under the 1937 Housing Act.
3. An applicant is continuously assisted if the family has received federal assistance under the 1937 Housing Act within 120 days of voucher issuance.
4. A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
5. A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
6. A low-income non-purchasing family residing in a project subject to homeownership programs under 24 CFR 248.173.

7. A low-income family or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of mortgage insurance contract under 24 CFR 248.165.
8. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident homeownership program.

3.1.7 Criminal Activity

Persons evicted from federally assisted housing due to drug-related criminal activity, for personal use, are ineligible for admission to the Section 8 program for a five-year period beginning on the latter of the date of the act, arrest, eviction, or termination from a federal assistance program, and ending on the date of the eligibility interview or receipt of the eligibility booklet, whichever occurs first. **(For more information about criminal activity, see Appendix 1, page 219, effective 6/18/12.)**

The household may be admitted, after considering the individual circumstances of the household, if the HCHA determines that the following applies:

Full restitution, including the cost of eviction, was made to the landlord, if lease violations occurred as a result of the criminal activity, and
The evicted household member who engaged in drug-related criminal activity for personal drug use has successfully completed a supervised drug rehabilitation program approved by the HCHA, or
The circumstances leading to eviction no longer exist because:

- The criminal household member has died.
- The criminal household member is no longer in the household and the head of household has certified that the criminal family member will never be allowed to return to visit the family. The head of household must certify that he/she understands that if the criminal family member is allowed to return to visit, the family's program participation will be terminated.

Applicants will be denied assistance and not admitted to the program:

1. If any member of the family has engaged in violent criminal activities, illegal drug sales, illegal drug trafficking, illegal drug production, or any drug-related criminal activity.
2. If any member of the family has been evicted from federally assisted housing for serious violations of the lease, or drug related criminal activities for personal use for a three-year period beginning on the latter of the date of the act, arrest, conviction or eviction from federally assisted housing and ending on the date of the current eligibility interview or receipt of the eligibility booklet, whichever occurs first [982.552(b)].
3. If any member of the family is subject to a lifetime registration requirement under a state sex offender registration program [982.552(b)].
4. If any member of the family has been convicted of production or manufacture of methamphetamine on federally assisted property [982.552(b)].
5. If any member of the family has engaged in any criminal activity within the past three-years that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity [982.553(2)(3)].

6. If any member of the family has engaged in any criminal activity within the last five years 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 HCHA (including a HCHA employee, contractor, subcontractor or agent).
7. If the family fails to meet the preference and income targeting requirements at the time of selection.
8. If the family exceeds the income limits.
9. If, as a past Section 8 program participant, any member violated an important family obligation, other than for illegal drug or criminal activities, within three years prior to the current eligibility interview.
10. A family will be given seven calendar days to pay in full an outstanding debt to a HCHA before the family is denied admission. The family must be in compliance with any payment agreement with a HA for a previous debt.
11. Other criteria as outlined in the next section.

Section 3.2.0 Admission and Participation Eligibility Factors

[24 CFR 982.551, 982.552, 982.553]
The HCHA will deny program participation or admission in cases where the HCHA determines there is reasonable cause to believe that a household member was or is illegally using a controlled substance, committing violent criminal acts as defined by HUD or the HCHA, engaging in any criminal activity that may threaten the health, safety or right to peaceful enjoyment of other residents or persons residing in the immediate vicinity of the premises, or has violated any rental subsidy program administered by the HCHA within the past five years.The HCHA will deny program participation or admission if there has been a pattern of alcohol abuse, which involves five or more serious incidents during the previous twelve months. It is considered “serious” if the party is driving while intoxicated, or if the party is arrested, or detained due to public intoxication.

Applicants or participants who engaged in violence, or illegal drug activities that involve, sales, trafficking, manufacture, or possession for sales, are prohibited from program participation for five years from the latter of the date of the act, conviction, eviction, or termination from federally assisted housing.

Applicants or participants who engaged in threatening, abusive or violent behavior or who routinely use vulgar, demeaning, or hostile language and/or gestures and body movement that denotes an implied threat, excessive hostility, or intimidation are prohibited from program participation for five years from the latter of the date of the act or termination from federally assisted housing.

“Abusive or violent behavior” is direct physical abuse, violence or verbal abuse, including the use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, as well as aggressive or hostile gestures and body movement.

“Threatening” refers to oral or written threats or physical gestures that communicate the intent to abuse or commit violence.

The HCHA may waive or reduce the prohibition period depending on the severity of the incident and if the behavior was caused by a disability. However, the HCHA will NEVER waive the prohibition period if there was physical violence, the threat of physical violence, or if more than one incident occurred.

Applicants or participants involved in the personal use of illegal drugs are prohibited from the program for one year from the latter of the date of the act, arrest or the conviction, unless documentation is provided of successful rehabilitation. However, those who engaged in illegal drug use while participating in a federal housing program are ineligible for assistance for five years from the latter of the date of the conviction, eviction, or termination of assistance.

Applicants or participants involved in other criminal activities that threaten the health, safety, or right to peaceful enjoyment of other residents or persons residing in the immediate vicinity of the premises are ineligible for assistance for five years from the latter of the date of the act, conviction, eviction, or termination of assistance.

Applicants or participants convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing are prohibited from program participation for life.

Applicants found to be subject to the lifetime sex offender registration requirements under a state sex offender registration program are prohibited from HCHA program participation for life. Current HCHA program participants who became subject to the lifetime state sex offender registration requirement prior to May 24, 2001 will be allowed to remain on the program. Program participants who become subject to the lifetime state sex offender registration while on the program may be subject to termination based upon the participant's specific behavior.

Live-in aides or foster children who are found to be subject to a state sex offender registration requirement of a state sex offender registration program or who have currently or previously engaged in any criminal activities as described above, or other activities that may pose a risk, will be disapproved for occupancy of the assisted unit. The existence of prohibited behavior by any household member, regardless of the applicant's or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

For participants, "currently engaging" means anytime while the participant was on the program a member or members of the household engaged in prohibited activities.

The HCHA may waive the prohibition of program admission for drug-related criminal activity for personal use or a pattern of alcohol abuse if:

> The person demonstrates successful completion of a credible rehabilitation program approved by the HCHA, and the violation did not occur while the family was being assisted.

The HCHA may waive the prohibition of program admission for illegal drug-related or violent criminal activities if:

> The circumstances leading to the violation no longer exist because the person who engaged in the illegal drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration. Unless the violator is deceased, the family must sign a certification that states that they understand that the violator must not return to the household and that they may be subject to the termination of benefits if the violator returns to the household. If there is inconclusive evidence that the act occurred. In this case, the HCHA may request additional evidence, such as a police report.

With the exception of the violations occurring as a direct result of a household member being the victim of domestic violence, dating violence, or stalking, that do not pose an imminent threat to other tenants or those employed at or providing service to the property, the HCFIA will always, upon receipt of adequate evidence, terminate program participation for drug-related or violent criminal activities, a pattern of alcohol abuse, or any other criminal activities that may threaten the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

If any applicant/participant deliberately misrepresents information, or provides untrue or incomplete information, on which eligibility or tenant rent is established, the HCHA may deny or terminate assistance, set-up a collection account, and refer the family file/record to the proper authorities for appropriate disposition.

The family must provide verification of social security numbers [24 CFR 5.216, 5.218], prior to admission, for all family members age six and older, including live-in aides and foster children, who have been issued social security numbers by the Social Security Administration. Failure to furnish verification of social security numbers is grounds for denial or termination of assistance. A person not issued a social security number must sign a certification of not being issued a social security number. Persons who disclose their social security numbers, but cannot provide verification, must sign a certification and provide verification within 60 days. Elderly persons must provide verification within 120 days.

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

In order to receive assistance, at least one family member must be a United States citizen or eligible immigrant [24 CFR Part 5, Subpart E]. The HCHA will not provide assistance to families prior to the determination of the eligibility of at least one family member, pursuant to this section.

The family will be denied admission or continued assistance if it is found a member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program. The family will not be allowed to reapply to the waiting list for five years after the latter of the date of discovery or termination of program participation.

The family will be denied admission or continued assistance if it currently owes rent or other amounts to the HCHA or to another HA in connection with Section 8 or Public Housing assistance under the 1937 Act or if it is found that the family owes any money to a housing agency or that an active repayment agreement is in arrears.

Prohibition Periods for Some Offenses for Applicants and Participants:

Currently engaging in previous violent illegal drug activities or criminal activity, including use, production, or sales.

Program participants and applicants subject to lifetime sex offender registration under the state sex offender registration program. Exceptions are current HCHA program participants who were on the program prior to 5/24/2001 and who were registered sex offenders prior to 5/24/2001.

From date of eviction from any federally assisted housing for illegal drug activities for personal drug use. (Does not apply with evidence of rehabilitation or violator absent from unit).

Illegal drug use, or possession for personal use, unless a family obligation was violated at the same time, in which case the three-year prohibition period applies.

(One year does not apply, if proof of completing rehabilitation program is provided).

Program participants and applicants convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.Pattern of abuse, or abuse of alcohol, that interferes with the health, safety, or right to peaceful enjoyment of others.

Previous illegal drug-related criminal activity, that involves sales, transportation, manufacture, or possession for sale.

From date of termination, of federal assistance for a violation of an important family obligation, except drug-related or violent criminal activities.

Currently engaging in violent criminal activity.

Violent or hostile behavior towards HCHA personnel.

From date of eviction from federally assisted property for lease violations.

Actively engaging in other criminal activity, that would threaten the health, or safety of the HCHA, owner, employee, contractor, subcontractor, or agent of the HCHA.

From date of the latter of the act or termination of assistance for any criminal activity, that threatens the health, safety, or right to peaceful enjoyment of the premises or others.

Owes money or rent to any HA.

Section 3.3.0 Other Ongoing Participation Eligibility Factors

The HCHA must terminate assistance for participants if the family is under contract and 180 days (or 12 months, depending on the HAP contract used) have elapsed since the HCHA's last housing assistance payment was made. The HCHA may not enter into a HAP contract if the family is ineligible for assistance.

If the HCHA determines that a family member has knowingly permitted an individual, who is not a legal resident, to reside permanently in the family's unit, the family's assistance will be terminated for 24 months, unless the family's assistance was already being prorated due to the ineligible family member. However, the family's program participation will be permanently terminated if it is found the family provided false, misleading, incomplete, or untrue information regarding this person's residency status or violated their family obligations by allowing an unauthorized person to reside in the assisted unit.

The HCHA will terminate program participation of participants found to have engaged in drug-related, violent, or other criminal activities while participating in the program, unless the violations occurred as a direct result of domestic violence, dating violence, or stalking. On a case-by-case basis, the offender may be allowed to leave the household so that the remaining family may continue to receive assistance if the head of household signs a statement indicating that they understand that the violator must not return to the household to live or visit, and if the violator does return, that the family will be subject to termination of participation, and providing the family has no history of violating program or lease obligations, and only if full restitution is made to all parties who incurred expenses as a result of the criminal activities.

The HCHA must terminate program assistance if the family is evicted for serious or repeated violations of the lease, or if there is evidence, the family has committed serious or repeated lease violations.

The family's program assistance may be terminated for a violation of family obligations [24 CFR 982.5511. The deciding factors will be any history of previous violations, if the violation was intentional, the impact on the HCHA, the owner, other residents and the surrounding community, the family's speed in correcting the violation and/or making restitution, and other mitigating circumstances, such as the violation(s) occurring as a direct result of a family member being the victim of domestic violence, dating violence, or stalking. Family obligations include the following:

- The family must supply any information that the HCHA or HUD determines is necessary to administer the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.55 1).
- "Information" includes any requested certification, release, or other documentation.
- The family must supply any required information requested by the HCHA or HUD, for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

- The family must disclose and verify social security numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.
- All information supplied by the family must be true and complete.
- The family is responsible for an HQS breach caused by the family for failure to pay tenant-provided utilities or maintain appliances, or for damages to the dwelling unit beyond normal wear and tear caused by any member of the household or guest.
- The family must allow the HCHA to inspect the unit at reasonable times and after reasonable notice.
- The family may not commit any serious or repeated violations of the lease. The HCHA will determine if the family has committed repeated/serious violations of the lease based on available evidence, including but not limited to, court-ordered eviction, an owner's notice to evict, or witness statements
- Serious/repeated lease violations will include, but are not limited to, nonpayment of rent, disturbance of neighbors, destruction of property, criminal activity, or living or housekeeping habits that cause damage to the unit or premises.
- The family must notify the owner and, at the same time, notify the HCHA before the family moves out of the unit, or terminates the lease upon notice to the owner
- The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the HCHA at the same time the owner is notified.
- The family must promptly give the HCHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The HA will terminate program participation of participants who become subject to lifetime state sex offender registration requirement after May 24, 2001.

The HCHA must approve the composition of the assisted family residing in the unit. The family must promptly inform the HCHA of the birth, adoption, return of a disabled or minor child to the family, or court-awarded custody of a child. The family must request prior HCHA approval to add any other family member as an occupant of the unit. The request to add a family must be submitted in writing, and approved prior to the person(s) moving into the unit.

The family must promptly notify the HCHA if a family member moves.

A family must not receive Housing Choice Voucher assistance while residing in a unit owned by a parent, grandparent, grandchild, sister, or brother of any member, of the family, unless the HCHA has determined prior to approval of the unit, and has notified the owner and family in writing of such determination, that approving rent of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

If the HCHA has given prior approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval, or the HCHA approval is rescinded or denied, the family may not allow a foster child or live-in aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to the primary use of the unit as a residence by members of the family, do not cause damage or a nuisance, and the property owner has given permission for such activities. If the HCHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation. If the owner legally disallows the profit-making activity in the unit, it will be considered a program violation. If the HCHA determines the business is not legal, it will be considered a program violation.

The family must not sublease or let the unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

The family must not assign the lease or transfer the unit. The family must promptly notify the HCHA when the family is expected to be absent from the unit more than 14-days.

The family must supply any information or certification requested by the HCHA to verify that the family is living in the unit, or to document a family absence from the unit. The family must cooperate with the HCHA for this purpose. The family must notify the HCHA, within 14 days, of temporary absence from the unit. The family must notify the HCHA prior to moving from the unit.

The family must not own or have any interest in the unit regardless of whether he/she is a member of the family, with the exception of a mobile home owner renting the pad or a Section 8 Homeownership Program participant.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

The members of the household must not abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

An assisted family, or members of the family, may not receive 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.

No assistance shall be provided under Section 8 of the United States Housing Act of 1937 to any individual who is a student, at an institution of higher education, as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) unless the student is in at least: (1) over the age of 23, (2) a veteran, (3) has or is responsible for a dependent child, (4) is married, (5) is otherwise eligible or has a parent, or parents if both parents are together, or is living with someone acting as a parent, who is/are receiving or eligible to receive Section 8 assistance, or (6) was a handicapped person receiving assistance as of November 30, 2005.

Chapter 4 Verification Procedures and Calculation of HAP and Family Rent

[24 CFR Part 5, Subparts B, D, E, and F; 982.54; 982.153; 982.551; 982.158; 24 CFR 5.6 17]

Section 4.1.0 Introduction

The HCHA must verify eligibility, total tenant payment, and family share in accordance with HUD regulations. The HCHA staff will obtain written documentation from independent sources whenever possible. If written third-party verifications are not obtained, the HCHA will attempt to obtain oral third-party verifications, and will always document why third-party verifications were not used.

Applicants and program participants must provide true and complete information to the HCHA whenever information is requested, and must supply any information that the HCHA determines is necessary in the administration of the program, including consenting to the HCHA's verification of that information.

This chapter explains HCHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. This chapter also reviews key guidelines for the correct determination of the family's portion of the rent.

4.1.1 Methods of Verification and Time Allowed

[24 CFR 982.516]
The HCHA will verify information through the five methods of verification, acceptable to HUD, in the following ranking order:

1. Up-Front Income Verification (UIV).
2. Third-party written (must be received directly from the third party).
3. Third-party oral (in person or via telephone directly from the third party).
4. Documents provided by family (e.g., pay stubs, bank statements, or social security award letters).
5. Certification/self-declaration.

The HCHA will allow ten days for the return of written third-party verifications before going to the next method, which is oral verification. The HCHA will document the file as to why Up-Front Income Verifications or third-party written verifications were not used.

For verification of those subject to the Violence Against Women Act (VWAW), the certification must be received 14-working days from applicant's/participant's receipt of the HCHA request.

For applicants, verifications may not be more than 60 days old at the time of voucher issuance. For participants, verifications are valid for 120 days from date of receipt.

The family may be required to certify that they do not have a particular type of income or benefit or asset. If this is required, the certification must be written in the presence of a HCHA staff person and notarized.

1. Up-front Income Verification: The HCHA's first choice is up-front income verification (UIV) which includes sources of information taken directly from on-line systems, such as from the Enterprise Income Verification System (EIV), direct online information from the local welfare system, the Work Number, etc.

2. Third-Party Written: The HCHA's second choice is a written third-party verification to substantiate claims made by an applicant or participant.

3. Third-Party Oral: The HCHA's third choice is to use telephone verifications.

4. Review of Documents: The HCHA's fourth choice is to review documents, when relevant, to substantiate the claim of an applicant or participant.

5. Family Certification: A notarized family certification will be accepted when no other form of verification is available.

If UIV or third party-verification is not possible to obtain directly from the source, HCHA staff will document the file as to why UIV and third party verification were impossible to obtain, and attempt to obtain oral third-party verification, and document this attempt, before another method is used, such as reviewing family-provided documents.

The HCHA will not delay the processing of an application beyond ten days because a third party information provider does not return the verification in a timely manner.

For applicants, verifications may not be more than 60-days old at the time of the issuance of the voucher. For participants, verifications are valid for 120 days from the date of receipt. The HCHA will accent documents dated within the past 12 months, if they are the most recent scheduled report from a given source (e.g. last quarter's quarterly money market account statement).

4.1.2 Up-Front Income Verification

Up-front income verification (UIV) is information provided directly from a central information collection point, which includes the EIV System wage, pension, social security, and supplementary security income (SSI), the Work Number for wage income information, the local public assistance provider or TANF income, etc. If income information is received from this source and is reliable, no other verification is required.

The HCHA will not disclose information obtained through the EIV system to any person other than the person the income information pertains to, even if another person has a release of information. The HCHA will restrict access and safeguard EIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD. EIV information will be retained in the confidential applicant/participant file and will be destroyed when the file is destroyed, in accordance with the HCHA's records retention policies.

The HCHA will not take any adverse action against the family as a result of information obtained from the EIV system, but may take action if the information is confirmed by the family member or a third party.

If the UIV income information is less than the family's income figure, the HCHA will use the family information.

If the UIV income information is more than the family's income figure, the HCHA will use the UIV, unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the HCHA will use the family-provided information.

If the UIV information for a particular income source differs from the information provided by the family by $200 or more per month, the HCHA will follow these guidelines:

- Request a written third-party verification from the discrepant income source in accordance with 24 CFR 45.236(b) (3)(i).
- When the HCHA cannot readily anticipate income (e.g., in cases of seasonable employment, unstable working hours, suspected fraud) the HCHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.
- The HCHA will analyze all UIV, third party, and family-provided data and attempt to resolve the income discrepancy.
- The HCHA will use the most current income data and, if appropriate, historical income data to calculate the anticipated annual income.

4.1.3 Third-Party Written Verification

Third-party written verifications must be received directly from the third parties by mail, e-mail, or fax. The family will be required to sign an authorization for release of information to allow the third parties to release requested information. The first attempt to obtain third-party verification will be made in writing.

4.1.4 Third-Party Oral Verification

Oral third-party verifications will be used when UIV or written third-party verifications are delayed or not possible. The second attempt to obtain third party verification will be orally. When a third-party oral verification is used, staff will be required to notate in the file the name of the person contacted, the date of the conversation, and the facts provided. If the third-party verification is provided by telephone, the HCHA must originate the call. If it is not possible to contact the third party by telephone, due to either the Agency's documented policy of not releasing information over the telephone or unavailability of a telephone number for the third party, the HCHA will notate on the appropriate form and move to the next ranking verification source.

The HCHA will not delay the processing of an application beyond ten days due to a third-party information provider not returning the verification in a timely manner.

4.1.5 Documents Accepted as Verification

If UIV, written or oral third-party verification is not available or not received in ten days, the HCHA will accept verifications in the form of documents, letters, or computerized printouts delivered by the family. Clear and legible documents from the following agencies are acceptable:

4.1.6 Self-Certification/Self-Declaration

When verification cannot be made by UIV, third-party verification or documents provided by the family, families are required to submit a notarized self-certification.

A notarized self-certification means a family-signed and dated affidavit certification statement under penalty of perjury in the presence of a notary public.

4.1.7 Release of Information

[24 CFR 5.230]
All required releases must be completed "as is" by all adult family members. Family members are not allowed to cross out, amend, add, or in any way alter the forms. To do so is a program violation.

Adult family members must sign the HUD 9886 Release of Information/Privacy Act form.

Adult family members are those who are expected to be 18 years of age or older at the time of annual recertification, transfer, or final eligibility determination.

In addition, adult family members must sign additional release of information authorization forms, not covered by the aforementioned HUD required form.

Adult family members who are required to sign forms to release specific information will be provided copies of the forms for their review and signature.

A family's refusal to cooperate with the HUD prescribed verification requirement will result in denial of admission or termination of assistance, for violation of the family obligation to supply any information, and to sign consent forms requested by the HCHA or HUD.

4.1.8 Criminal Records

The HCHA verifies the criminal history of all adults at the time of program admission, adults admitted to the assisted household, adult family members who port into the jurisdiction of the HCHA, all adult family members transferring to another assisted unit, and may verify the criminal history of all adult program participants on a regular basis. The verification is conducted by researching criminal history, including status of a family member subject to a sex offender registration requirement, of a state sex offender registration program, by accessing the database of the Harford County Sheriff's Department, or sending written inquiries to states where the HCHA will screen all incoming portability admissions and participants for criminal history and registered sex offender status.

The criminal history of participants/applicants may be verified through the Department of Justice, and these applicants/participants may be required to provide fingerprints.

The HCHA 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, although the HCHA form may be retained in the file.

All criminal reports, while needed, will be housed in a secure area, with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance, as well as management.

The HCHA will document in the family's file the circumstances of the criminal activities.

4.1.9 Computer Matching

HUD has conducted a computer matching initiative to independently verify resident income. HUD can access income information and compare it to information submitted by the HCHA on the 50058 forms. HUD can disclose social security information to HCHA, but is precluded by law from disclosing federal tax return data to the HCHA. If HUD receives information from federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The family is required to disclose the information to the HCHA (24 CFR 5.240). HUD's letter to the family will also notify the family that HUD has notified the HCHA in writing that the family has been advised to contact the HCHA. HUD will send to the HCHA a list of families who have received "income discrepancy" letters.

When the HCHA receives notification from HUD that a family has been sent an "income discrepancy" letter, the HCHA will wait 40 days after the date of notification before contacting the tenant. After 40 days, the HCHA will contact the tenant by mail, requesting the letter or other notice from HUD concerning the amount or verification of family income. The HCHA will place a copy of the letter to the family in the tenant file. When HCHA receives the required information, it will verify the accuracy of the income information provided by the family, review the HCHA interim recertification policy, identify unreported income, and if appropriate charge retroactive rent, change the rent, or terminate assistance. If the amount of overpaid rent owed to the HCHA exceeds $1,000, the HCHA may seek to terminate assistance.

If the participant fails to respond to the HCHA, the HCHA will ask HUD to send a second letter with a verified tenant address. After an additional 40 days, the HCHA will ask HUD to send a third letter. After an additional 40 days, the HCHA will send a warning letter, advising the family of the action to be taken if it does not contact the HCHA within two weeks.

If the participant claims a letter from HUD was not received, the HCHA will ask HUD to send a second letter with a verified tenant address. After 40 days, the HCHA will contact the family. If the family claims it has not received a HUD letter, the HCHA will ask HUD to send a third letter. After an additional 40 days, the HCHA will set up a meeting with the family to complete IRS Forms 4506 and 8821.

If the family fails to meet with the HCHA, or refuses to sign the IRS forms, it will be issued a warning letter indicating that termination proceedings will begin in one week, if the family fails to meet with the HCHA and/or sign IRS forms.

If the participant does receive a discrepancy letter from HUD, the HCHA will schedule a family meeting. If the family fails to attend the meeting, the HCHA will reschedule the meeting. If the family fails to attend the second meeting, the HCHA will send a termination warning. The family must bring the original HUD discrepancy letter to the HCHA. If tenant disagrees with the federal tax data in the HUD discrepancy letter, the family must provide documented proof of incorrect tax data. If the family does not provide documented proof of incorrect tax data, the HCHA will obtain proof of tax data using third party verifications.

Section 4.2.0 Items to Be Verified

[24 CFR 982.516]

Reported family annual income and its source, both cash and non-cash. Expenses related to deductions from annual income.

Student status for students, including high school students, who are, or who will be eighteen years of age or over at the time of final initial or annual eligibility determination.

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

Childcare expenses if they allow an adult family member to be employed, go to school, or actively seek employment.

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

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

Disability status, for determination of preferences, allowances, or deductions.

Elderly status, for determination of preferences, allowances, or deductions.

U.S. citizenship/eligible immigrant status.

Social security numbers for all family members, six years of age or older, who have been issued a social security number.

"Preference" status.

Marital status when needed for head or spouse definition.

Verification of reduction in benefits for noncompliance, in certain programs.

Benefits.

Verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance for determination of imputed income.

Verification of participation in a federal, state or local training program that is generating income.

Verification of being the victim of domestic violence, dating violence, or stalking.

Section 4.3.0 Verification of Waiting List Preferences

[24 CFR 982.207]

4.3.1 Residency Preference

This preference applies to families who live, work or have been hired to work, in the jurisdiction of the HCHA. Acceptable documentation includes two or more of the following documents that indicate the current reported resident or employment address:

> Rent receipts, leases, utility bills, employer or agency records, school records, driver's licenses, voter registration records, credit reports, bank statements, benefits award letter or, statement from household with whom the family is residing. If homeless, a lesser standard of documentation is acceptable.

Families who claim to work in the jurisdiction of the HCHA must provide an employer's verification and copies of pay stubs.

4.3.2 Families with Dependent Children Preference

To be eligible for this preference, the family must provide documentation that there are dependent children in the household or dependant children will be in the household once assistance is approved. A pregnant single person is no different from any other single applicant and is not considered a family with dependent children for admission preference purposes.

In most instances, self-certification is acceptable, unless there is reasonable doubt, in which case the HCHA will ask for further documentation of the placement of the children. This documentation of residence of the children may include the following:

- School records.
- Court custody documents.
- Leases.
- Welfare agency information.
- Medical records.

4.3.3 Veterans Preference

This preference is available to current members of the U.S. military armed forces, veterans, or surviving spouses of veterans.

The HCHA will require U.S. government documents that indicate that the applicant qualifies under the above definition.

4.3.4 Working Preference

This preference is available to families with at least one member who was employed at least 32 hours per week for the last twelve months, or to families whose head or spouse is receiving income based on their inability to work. The HCHA will require a statement from the employer, and may require copies of pay stubs, federal income tax returns, or other documentation.

4.3.5 Educational/Training Participants

Participation in educational or training programs may be used to augment a shortage in the working requirement. The HCHA will require a statement from the agency or institution providing the education or training, indicating the time committed to the educational or training program for the past twelve months.

4.3.6 Disability Preference

This preference is available to families with a heads of household or spouses who are persons with disabilities as defined by HUD.

The HCHA will require appropriate documentation from a knowledgeable professional. The HCHA will not inquire as to the nature of the disability, but will ask a knowledgeable health professional to confirm that a certain unit size is necessary due to the person's disability.

Other acceptable documentation of disability is either an award letter or proof of eligibility for social security disability or supplemental security income.

4.3.7 Elderly Preference

This preference is available to families with a head of household or spouse who is age 62 years or older.

The HCHA will require appropriate proof of age as verified by submittal of one or more of the following documents:

- Birth certificate.
- Passport.
- Drivers License.
- Resident Alien Card.

4.3.8 Homeless Preference

The documentation requirement is less stringent for homeless given the absence of a permanent residence. A notarized self certification is required if the homeless cannot provide documentation of employment residence in the jurisdiction of the HCHA. In addition to the certification, documentation must be provided to demonstrate residence in Harford County at the time of selection from the waiting list. Acceptable documentation includes the following:

- Drivers license.
- Automobile registration.
- Documentation from Harford County benefit provider.
- Receipts from stores, restaurants, motels, etc.

Section 4.4.0 Verification of Non-Financial Factors

[24 CFR 5.617(b)(2)]

4.4.1 Verification of a Victim of Domestic Violence, Dating Violence, or Stalking

Innocent family members cannot be terminated from the program for criminal activity, lease violations, or other good cause if the violations were as a direct result of a family member being the victim of domestic violence, dating violence, or stalking, unless the Housing Agency can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

To verify the party is a victim in one of the aforementioned categories, the HCHA must receive the following documentation that must include the period of time the violent act(s) occurred, and if the act(s) were directly related to the violations:

- Police reports or court records.
- Statement from a professional with expertise in working with victims of domestic violence, who was working with the program participant.

A certification, by itself, from the victim is not sufficient documentation but must accompany one of the above sources of documentation.

Information regarding the participant's status as a victim shall be retained in confidence and not entered into any shared database, nor provided to any related entity except when the disclosure is consented by the individual in writing, required for use in eviction proceedings, or otherwise required by law.

To verify that the acts pose an actual and imminent threat to other tenants or those employed at or providing service to the property, the HCHA will collect any one of the following:

- A statement under penalty of perjury.
- A restraining order.
- An arrest record.

4.4.2 Verification of Legal Identity

In order to prevent program abuse, the HCHA will require applicants to furnish verification of legal identity for all family members. All adult family members must provide picture identification. Acceptable picture identification may be a driver's license, Maryland identification card, or school picture identification. Family members who turn 18 years of age must provide picture identification as of the next annual reexamination.

Copies of birth certificates for all family members must be on file, and only when they cannot be provided, will the following documents be temporarily accepted as proof of identify, birth, and residency:

- Naturalization papers.
- Church issued baptismal certificate.
- Hospital birth certificate.
- Department of Motor Vehicles identification card.
- Current, valid driver's license.
- U.S. military discharge (DD 214).
- U.S. passport.
- Voter's registration.
- Company/agency identification card.
- Hospital records.

If a minor cannot provide a birth certificate, one of the following may be substituted temporarily:

- Adoption papers.
- Hospital birth certificate.
- Custody agreement.
- Health and Human Services identification.
- School records.

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

The family must take steps to order a birth certificate, provide proof that these steps were taken, and be given a deadline to provide a birth certificate. If the birth certificate cannot be obtained, the family must provide documentation as evidence as to why the birth certificate cannot be obtained, in which case the secondary documents will be accepted permanently.

If a document submitted by a family is illegible or otherwise questionable, more than one of the aforementioned documents may be required, and/or original documents must be submitted for review and verification.

4.4.3 Verification of Age

[24 CFR 982.516(a)(2)(iv)]
It may be necessary to verify age in order to determine eligibility for program admission, as well as to determine income and deductions. The HCHA will accept any official document that indicates age including the following:

- Birth certificate.
- Proof of social security retirement benefits.
- School records.
- Driver's license.

4.4.4 Verification of Marital Status

Marital status could affect the determination of total or adjusted income. For example, a working person under age 18 designated the spouse of the head of household would not have exempt wage income, or if a non-elderly or elderly or disabled head of household has an elderly or disabled spouse, that family would be designated an elderly or disabled household.

Generally, certification by the family is sufficient verification. However, if there is reasonable doubt about a marital relationship, the HCHA will require the following documentation:

- Verification of divorce status will be a certified copy of the divorce decree, signed by a court officer.
- Verification of a court ordered separation might be a copy of court-ordered maintenance or other records.
- Verification of marriage status may include a marriage certificate, marriage license, or on-line data confirmation from public records.

4.4.5 Foster Children/Adults

The HCHA will verify the status and placement of temporary and permanent foster children/adults in the household by obtaining third-party verification from the state or local government agency responsible for the placement of the individual with the family.

4.4.6 Familial Relationships

[24 CFR 982.516(a)(2)(iv)]
The relationship of household members may affect the determination of adjusted income and must be verified. A family certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required, if applicable:

- Verification of relationship.
- Official identification showing names.
- Birth certificates.
- Baptismal certificates.

Verification of guardianship is the following:

- Court-ordered assignment.
- Notarized affidavit of parent.
- Verification from social services agency.
- School records.

4.4.7 Verification of Permanent Absence of Family Member

If the family reports permanently absent an adult member, formerly a member of the household, the HCHA will generally accept certification by the family of that family member's absence. If the HCHA has reasonable doubt regarding the absence of the family member, one or more of the following documents will be required as verification:

- Documentation of legal separation (required in order to exclude income of absent spouse).
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, lease, rental agreement, automobile registration, mail at new address, or credit report reflecting new address, if available.
- Statements from other agencies, such as social services, or a written statement from the landlord or manager, that the adult family member is no longer living at that location.
- If a family member is incarcerated, a document from the court or correctional facility stating how long he/she will be incarcerated.

The HCHA will accept a notarized self-certification, signed under penalty of perjury, from the head of household, or the spouse or co-head, if the head is the absent member.

Section 4.5.0 Verification of Change in Family Composition

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

4.5.1 Verification of Disability

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

4.5.2 Verification of Citizenship/Eligible Immigrant Status

[24 CFR 5.508, 5.510, 5.512, 5.514]
The HCHA will require citizens to provide documentation of citizenship, such as a birth certificate, passport, or naturalization papers.

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals, who cannot demonstrate legal residency, may elect not to contend their status. Eligible immigrants are persons who are in one of the HUD-specified immigrant categories and must have their status verified by Immigration and Naturalization Service (INS).

For the citizenship/eligible immigration requirement, the status of each member of the family, except live-in aides and foster children, is considered individually before the family's status is defined. Each family member must declare his/her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending; except that assistance to applicants may be delayed while a HCHA hearing is pending.

For this eligibility requirement only, the applicant is entitled to an informal hearing and not an informal review. The following determinations are made based on the verification of family status:

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

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

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

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

Non-citizens with eligible immigrations status must sign a declaration of status and verification consent form mid provide original immigration documents. Front and back copies are retained and the original immigration documents are returned to the family. The HCHA verifies the eligible immigration status through the INS SAVE system. If the initial search fails to verify status, the HCHA will request, within ten days, that the INS conduct a second manual search. If the documents have an expiration date, the applicants/participants must provide either a current document or an INS screen print of their current status.

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

Non-citizen students on student visas, as described in 24 CFR 5.522, are ineligible members, even though in the country lawfully. They must provide their student visas, but their status will not be verified. They do sign a declaration, but they 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 current documents or an INS status screen print, as required, he/she must be listed as an ineligible member. If the entire family fails to provide and sign documents as required, the family may be denied or terminated for failure to provide required information.

4.5.3 Time of Verification

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

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

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

For family members added after other members have been verified, the verification must take place prior to the new member's addition to the household.

After verification of eligible immigration status has been completed for any program participants, it need not be repeated, except for port-in families, if the initial HA does not supply the documents.

4.5.4 Extensions of Time to Provide Documents

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

4.5.5 Acceptable Documents of Eligible Immigration

The regulations stipulate only the following current documents are acceptable, unless changes are published in the Federal Register. These documents must be current and are subject to the limitations and additional requirements described in Chapter 5 of the HUD Housing Choice Voucher Guidebook.

Section 4.6.0 Summary of Documentation Requirements For Noncitizens

[HCV GB, pp. 5-9 and 5-10]
All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the HCHA.

Except for persons 62 or older, all noncitizens must sign a verification consent form.

Additional documents are required based upon a person's status.

4.6.1 Elderly Noncitizens

A person 62 years of age or older who claims eligible immigration status must also provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

4.6.2 Other Noncitizens

Noncitizens who claim eligible immigration status must also present the applicable USCIS document. Acceptable USCIS documents are listed below.

Form 1-55 1 - Alien Registration Receipt Card (for permanent resident aliens).
Form 1-94 - Arrival-Departure Record annotated with one of the following:

- "Admitted as a Refugee Pursuant to Section 207."
- "Section 208" or "Asylum."
- "Section 243(h)" or "Deportation stayed by Attorney General."
- "Paroled Pursuant to Section 221(d) (5) of the USCIS."

Form 1-94 - Arrival-Departure Record with no annotation accompanied by:

- A final court decision granting asylum (but only if no appeal is taken);
- A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);

- A court decision granting withholding of deportation; or
- A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90). A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register.

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

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

Section 4.7.0 Verification of Social Security Numbers

[24 CFR 5.216]
Social security numbers must be provided as a condition of eligibility for all family members, age six and over, who have been issued a social security number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, the documents listed below may be accepted for verification. The family may be required to certify in writing that the document(s) submitted in lieu of the social security card is/are complete and accurate:

- A driver's license.
- Identification card issued by a federal, state or local agency.
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid).
- An identification card issued by an employer or trade union.
- Earnings statements or payroll stubs.
- Bank Statements.
- IRS Form 1099.
- Benefit award letters from government agencies.
- Retirement benefit letter.
- Life insurance policies.
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records.

4.7.1 Verification of Benefits or Social Security Number from Social Security Administration

New family members, age six and older, will be required to produce their social security cards or other acceptable documentation, as outlined above. This information must be provided at the time the HCHA adds the new family members to the household.

If an applicant or participant is able to disclose the social security number, but cannot meet the documentation requirements, the applicant or participant must sign a certification of being unable to provide required documentation. The applicant/participant or family member will have an additional 60 days to provide proof of his/her social security number. If he/she fails to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, the HCHA may grant an extension for an additional 60 days, up to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

If the family member states he/she has not been issued a social security number, the family member will be required to sign a certification to this effect.

Section 4.8.0 Need for Larger Unit or a Live-In Aide

A family request for a larger voucher must be in writing and must clearly explain the need or justification for a larger voucher. If the request is for a reasonable accommodation, it must explain how the additional bedroom will allow the person with disabilities better access to the program. If the request is for a live-in aide, it must explain why a live-in aide will be essential for the care and well being of an elderly, near elderly person, or a person with disabilities.

The HCHA may require at anytime an update on the medical documentation, on HCHA forms, verifying the need or justification for a larger unit.

A state of Maryland licensed doctor, or other state of Maryland licensed medical professional, such as a nurse, psychiatrist, psychologist, or a social service professional, must provide a certification of the need for an extra bedroom or live-in aide.

The HCHA will require only that information necessary to determine the need for an additional bedroom and not to determine the nature of the disability.

Section 4.9.0 Income

The HCHA will verify and anticipate monetary and in-kind income as accurately as possible by reviewing all verifications and using the most accurate reflection of income for the following 12 months.

For admission, an unborn child is not considered when determining the income limits. For example, a pregnant single person is considered a one-person household when determining income limits. To determine if the family is income-eligible for admission, the HCHA compares the annual income of the family to the applicable income limit for the family's size. Newly admitted families, who exercise portability prior to receiving initial assistance, must be within the applicable income limit of the receiving HCHA. This requirement does not include those who had been participants with the initial
HCHA.

Families, whose annual income exceeds the income limit, will be denied admission, removed from the waiting list, and offered an informal review.

Income includes all amounts, monetary or not, received on behalf of the family. HUD defines what is counted and excluded in determining the total tenant payment (TTP). In accordance with this definition, all income meeting the customary definition of income, not specifically excluded in the regulations, is counted.

Annual Income is defined as the gross amount of income that is anticipated to be received by the family, during the twelve months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions or state and local taxes and deductions, and does not include income excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits. Wages for full-time employment are anticipated for a full 52 weeks unless documentation is provided that wages will not be earned for the full year.

Annual income may be anticipated using the previous year's income, rather than current income, if that is the most accurate reflection of the following year's income. A clear rationale must be documented to support the methodology used for the calculation of income.

4.9.1 Averaging Income

When annual income cannot be anticipated for a full twelve months, the HCHA may use one of the following methods to calculate annual income:

- Average known sources of income, that varies to eliminate interim adjustments.
- Annualize current income and conduct an interim adjustment when income decreases.
- Use prior year's income information to anticipate the following year.
- Average employer's year-to-date income information.

For regularly received bonuses and/or commissions, the HCHA will verify and then average amounts received for the previous year, unless the family can provide credible documentation indicating the historical information is incorrect.

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

Section 4.10.0 Amounts the HCHA Has Determined Do Not Meet the Definition of Income

4.10.1 Employer Reimbursement of Mileage Expenses

Employer reimbursement for mileage expenses for use of a personal vehicle is not considered income so long as the reimbursement is reasonable as compared to the Internal Revenue Service (IRS) mileage rate. Mileage logs may be required. The amount of the mileage reimbursement that exceeds the standard rate will be counted as income.

4.10.2 Loans

Loans to a participant/applicant from an institution are not considered income. However, "loans" from private parties are considered income, if it is apparent there is little likelihood the loans will be repaid within the next three years, loans from the previous year have not been repaid, and if there was no written, well defined notarized loan repayment agreement executed at the time the "loan" originated.

Repayment of a loan to the applicant/participant is not considered income if documentation can be presented that the loan was made by the applicant/participant to the person repaying the loam If no documentation is provided, the "repayments" are considered income. Repayments of a loan made by the assisted household must be documented as follows in order to not count the payments as regular contributions to the family:

- Bank statement withdrawals indicating the assisted household made the loan.
- Cancelled checks indicating the amount of the loan and to whom the loan was paid.
- Notarized loan repayment agreement executed around the time the loan was made, with the terms and amount of the loan.

4.10.3 Employer Contributions to a Flexible Spending Account

Employer contributions to a flexible medical or childcare expense account are not considered income so long as the money is only accessible to the family as reimbursement for out-of-pocket medical or childcare expenses. However, childcare or medical expenses will not be allowed as a deduction if they are reimbursable through a flexible employer contribution account. Documentation regarding the requirements of the account may be required.

Section 4.11.0 Excluded Income

Excluded income must be verified only to the extent necessary to determine whether the income is to be excluded, such as in the case of an employed 16-year old family member or a full-time student. In such cases, the amount of excluded income is based upon information provided by the family. However, earned income disallowance must be verified because it is only partially excluded, and the income amount must be correct to determine the amount of the incremental income increase.

Exclusions contained in 24 CFR 5.609(c) that have not been described elsewhere in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)].
- Amounts received by participants in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)].
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)].

- Reparation Payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)].
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)].
- Refunds or rebates on Property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)].
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)].

HUD publishes an updated list of exclusions periodically. It includes the following:

a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b)).
b. Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058).
c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).
d. Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459(e)).
e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)).
f. Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)). (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2930).
g. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04).
h. The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408).
i. Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f)).
j. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re* Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
k. Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721).
1. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q).
m. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)).
n. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433).

o. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)). Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805).
p. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602).
q. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

4.11.1 Earned Income Tax Credit

[24 CFR 5.609(c)(17)]
Earned income tax credit refund payments are excluded from annual income. The tax credit may be paid once a year upon filing federal income tax forms, or it may be reflected on the employee's payroll check throughout the year.

4.11.2 Lump Sum Payments

[24 CFR 5.609]
The policy of the HCHA is to not calculate retroactive tenant rent the family owes as a result of the lump sum receipt, so long as the family reported the income in a timely manner. With the exception of lump sum retroactive social security/supplemental security income, if the family fails to report the income within 14 days, the HCHA may calculate an overpayment, and/or hold a participant integrity conference to advise the family of possible repercussions if they fail to abide by the HCHA's program obligations.

Lump-sum payments caused by delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income; however, the HCHA generally (except for zero/minimal income families) evaluates income increases at annual reexamination, and any lump sum income received prior to the annual reexamination would not be counted. The remaining balance would be counted as an asset.

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

4.11.3 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 the compensation, and the recovery paid to the family does not include an additional amount to cover attorney fees.

4.11.4 Disallowance of Earned Income from Rent Determinations for Persons with Disabilities

[24 CFR 5.617; 982.201(b)(3)]
This benefit is allowed once per family member in a lifetime. The benefit is for program participants - not new admissions.

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

A family member qualified for the earned income exclusion is receiving tenant based rental assistance under the Housing Choice Voucher Program; and one of the three following conditions apply:

- Whose annual income increases are 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; or
- Whose annual income increases are a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases are a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for TANF provided that the total amount over a six-month period is at least $500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least $500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

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

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

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

The amount 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 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 with disabilities' 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. Exempt income may never exceed the amount of employment income.

The disallowance is initially applied as of the first of the month following the income increase. An interim calculation may be necessary to properly apply the initial and phase-in exclusion periods and to remove the exclusion.

4.11.4(a) Initial Twelve-Month Exclusion

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

4.11.4(b) Second Twelve-Month Exclusion and Phase-in

During the second cumulative twelve-month period, after the expiration of the initial cumulative twelve month period referred to above, the HCHA must exclude from annual income of a qualified family fifty percent (50%) of any increase in income of a family member who is a person with disabilities, as a result of employment, over income of that family member prior to the beginning of such employment.

4.11.4(c) Maximum Four-Year Disallowance

The earned income disallowance is limited to a lifetime 48-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 twelve months of full exclusion of incremental income increase, and a maximum of twelve months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for twelve consecutive months, the disallowance period may be resumed at any time within the 48-month period and continued until the disallowance has been applied for a total of twelve months of each disallowance (the initial twelve-month full exclusion and the second twelve-month phase-in exclusion). No earned income disallowance will be applied beyond 48 months following the initial date the exclusion was applied.

4.11.4(d) Child Care Expense Deductions

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

In other words, child care expense deduction is limited by the included (counted) earned income.

4.11.4(e) 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. Interims will be performed, if necessary, to accurately calculate full, phase-in, and end of exclusion periods.

A form in the tenant's file will track the following:

1. The date the increase in earned income was reported by the family.
2. The effective date the income was first excluded from annual income for the initial cumulative twelve-month period of exclusion.
3. The name of the family member whose earned income increased.
4. The reason (new employment, participation in job training program, within six months after receiving TANF) for the increase in earned income.
5. The amount of the increase in total income due to earned income (amount to be excluded).
6. The date(s) earned income ended and resumed during the initial cumulative twelve-month period of exclusion (if any).
7. The date the family member has received a total of twelve months of the initial exclusion
8. The date the second twelve-month phase-in period began.
9. The date(s) earned income ended and resumed during the second cumulative twelve-month period phase-in of exclusion (if any).
10. The date the family member received a total of twelve months of the second phase-in exclusion.
11. The ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance).

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

Section 4.12.0 Disallowance of Income Resulting From Local, State or HUD Funded Training Program

[24 CFR 5.609(c)(8)(i)]
All amounts received under training programs funded by HUD are excluded, as are amounts received by a family member for resident manager training. Incremental increases in earnings and benefits are exempt if they result from any family member participating in a qualifying State or local employment training program with clearly defined goals and objectives.

A training program (for HUD funded, state or local programs) is defined as "a learning process with goals and objectives generally having a variety of components and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. It will also include on-the-job training programs that provide participants "real life" job experiences. Training may include, but is not limited to: (1) classroom training in a specific occupational skill; (2) on-the-job training with wages subsidized by the program; or, (3) basic education."

Incremental earnings and benefits are defined as, "the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings after and as a result of enrollment in the program."

Documentation to verify these exclusions include third-party verification or documentation describing the program and the funding source.

Pre-enrollment income is the income received prior to receipt of income from the training program.

Section 4.13.0 Foster Care Income

[24 CFR 5.809(c)(2)]
All income received for the care of foster children or foster adults is excluded from annual income.

Section 4.14.0 Adoption Assistance

The first $480 of adoption assistance is included in annual income. The remaining Adoption Assistance is excluded income. The dependent for which the adoption assistance is paid is given a $480 dependent allowance.

Section 4.15.0 Income of Students

With the exception of the head of household, spouse or co-head, only the first $480 of earned income of each household member, 18 years of age or older who is a full-time student, will be counted towards family income.

School expenses, including mileage, are not allowable deductions.

Verification of full-time student status includes the following:

- Written verification from the registrar's office, or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.
- Copy of student's registration information, indicating the semester and the number of credits taken.

The family may be required to provide verification of completion of classes to verify that the full-time student maintained his/her full-time student status. If the full-time student did not maintain his/her full-time status and assistance was overpaid, an overpayment agreement may be calculated and executed.

School financial assistance, scholarships, work-study, and grants received by full or part-time students are counted as family income in the following instances:

The housing costs component of an athletic scholarship is counted as income. Unless a student, including the head of household, spouse, or co-head, is over the age of 23 with a dependent child, or residing with parents receiving or eligible to receive Section 8 assistance, all financial aid (excluding loans) that exceeds the cost of tuition is counted as income if it is from the following sources: (a) amounts received under the Higher Education Act of 1965, such as Pell Grants and Federal Work Study; (b) amounts received from a private source, such as an individual, a trust, or a corporation; (c) amounts received from an institution of higher education as defined under the Higher Education Act of 1965; (d) other financial aid, such as amounts received for veterans under the G.I. Bill. A Student Eligibility Checklist must be completed and retained in the file. A dependent child must be the dependent child of the student and must meet the definition of dependent in 24 CFR 5.603.

A student, including the head of household, spouse, or co-head, enrolled as a student at an institution of higher education, as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002), is not eligible for assistance, unless he/she is:

- Married.
- Responsible for a dependent child.
- Over the age of 23.
- Independent from his/her parents.
- Living with parents who are receiving or are eligible to receive Section 8 assistance.
- Has parents who are eligible for Section 8 assistance.
- A handicapped person receiving assistance as of November 30, 2005, or before.

A student’s status as an independent student is verified by documentation indicating the student has lived apart from his/her parents at least one year, that the student is not claimed as a dependent on the parents’ income tax returns, and by a written certification from parents that they have been paying zero support.

The income of the parents of a student will be determined based on a written certification, under penalty of perjury, completed by the parents.

Section 4.16.0 Employment Income

Verification forms may request the employer specify the following:

- Dates of employment.
- Amount and frequency of earnings.
- Date of last pay increase.

- Earning history.
- Year-to-date earnings.
- Expected change in employment status.
- Effective date of any anticipated wage increase during following twelve months.
- Estimated income from overtime, tips, and bonus pay expected during following twelve months.
- Anticipated unpaid time off.

Acceptable methods of verification include the following:

- Employment verification form completed by the employer.
- Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year-to-date earnings.
- W-2 forms or 1099 forms, and income tax return forms.
- Self-certifications or income tax returns signed by the family may be used for verifying self-employment income or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service (IRS) for verification of income if there is evidence income has not been reported.

In cases with questions about the validity of information provided by the family, the HCHA may require the most recent federal income tax statements or send a referral to the IRS.

Section 4.17.0 Bonuses and/or Commission

For regularly received bonuses and/or commission, the HCHA will verify and average amounts received for the one-year preceding admission or reexamination, unless the family can provide credible documentation indicating the historical information is incorrect.

Section 4.18.0 Minimal or Zero Income

There is no minimum income requirement. However, families who report zero or minimal income are required to complete a written certification every 30 days, and provide copies of expense receipts for the 30-day period. The HCHA will conduct an interim to increase the family's rent share upon reinstatement of income.

The family may be required to provide documentation to prove that income, such as unemployment benefits, TANF, SSI, etc., is not being received.

The HCHA may request information from the state employment development department.

The HCHA may run a credit report on the family.

The HCHA may require a family's notarized self-certification, signed under penalty of perjury, stating that they have no income, and explaining how they expect to meet their needs.

Section 4.19.0 Regular Contributions and Gifts

[24 CFR 5.609]
Regular, noncasual contributions and gifts received from persons outside the household are counted as income. This includes rent and utility payments made on a regular basis on behalf of the family and other regular cash or non-cash contributions. It does not include casual contributions or sporadic gifts.

A family benefit that is used exclusively by the family, but not titled to the family (i.e., automobile, storage unit), is counted as income. The income includes insurance, car payments, maintenance, and other vehicle expenses regularly paid by someone outside of the assisted housing.

If an employer provides an automobile that is used for both personal and business purposes, a proration of the vehicle expense payments (insurance, registration, car payments, etc.) will be calculated based on the percentage of time the vehicle is used for personal purposes. Evidence of a business vehicle used for personal purposes may include the vehicle being stored overnight at the family's residence at least five days a week and the lack of a personal vehicle for that family member.

If the family's expenses exceed their reported income, the HCHA will inquire of the family regarding contributions and gifts.

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

- The name of the person who provides the gifts.
- The value of the gifts.
- The regularity (dates) of the gifts.
- The purpose of the gifts.

Section 4.20.0 Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

4.20.1 Social Security and Supplemental Security Income

In compliance with PIH 2004-18 (HA) issued on September 17, 2004, the HCHA will no longer request third-party benefit income from the Social Security Administration. The HCHA will verify income in the following ranking order:

1. EIV systems.
2. Benefit notice dated within the past 60 days.

If the social security statement indicates a reduced social security benefit due to rounding, the rounded amount shall be counted.

If the social security statement indicates a deduction for Medicare, the Medicare payment amount should be added to the net benefit for the countable income.

4.20.2 Other Benefit Income

Acceptable methods of verification include the following:

- Benefit verification form completed by agency providing the benefits award or benefit notification letters prepared and signed by the providing agency.
- Computer report electronically obtained or in hard copy.
- Pay stubs.
- Bank statements that reflect direct deposits.

Section 4.21.0 Unemployment Compensation

Acceptable methods of verification include the following:

- Unemployment compensation agency verification form.
- Unemployment office computer report e-mailed, faxed, or in hard copy.
- Payment stubs.
- Agency award letter.

Section 4.22.0 Alimony and Child Support

[24 CFR 5.609]
Regular alimony and child support payments are counted as income. Not generally included in annual income are irregular or lump sum child support payments, as is the case with other irregular or lump sum income.

If the amount of child support or alimony received is less than the amount awarded by the court, the HCHA will use the amount awarded by the court, unless the family can verify they are not receiving the full amount. Child support or alimony payments in arrears that are being received on a regular basis are included in annual income.

The HCHA will accept verification that the family is receiving an amount less than the award if 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.

The HCHA may accept a notarized family certification in writing, under penalty of perjury, that states they are not receiving the full amount of alimony or child support, and explains why they cannot provide the documentation outlined in the previous paragraph.

It is the family's responsibility to supply a certified copy of the divorce decree. Acceptable methods of verification include the following:

- Copy of a separation, or settlement agreement, or a divorce decree, stating amounts and types of support and payment schedules.
- A signed and dated letter from the person paying the support.

- Copy of latest check and/or payment stubs from court trustee. HCHA must record the date, amount, and number of the check.
- Family's notarized self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

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

- A copy of the separation, or settlement agreement, or divorce decree, stating the amount, type, and payment schedule of the settlement.
- A statement from the agency responsible for enforcing payments, to show that the family has filed for enforcement.
- A notarized affidavit from the family, signed under penalty of perjury, indicating the amount(s) received.
- A welfare notice of action showing amounts received by the welfare agency for child support.

Section 4.23.0 Self Employment Income

[24 CFR 5.609(b)(2)]

Net income from a business or profession must be included in annual income. However, capital expenditures, such as the purchase of a vehicle, are not allowed as an expense deducted from gross business income. The principal part of loan repayments for a capital expense is not an allowable deduction from income. Interest payments are an allowed business expense. If the business has a loss, that loss may not be deducted from other income. Loans or contributions to the business will not be counted as income, nor will the repayment of a loan from the family be counted as income.

If the business is a joint business with someone outside the family, the family must provide documentation demonstrating its share of the business as a percentage of the business partnership agreement.

In order to verify the net income from self-employment/business ownership, the HCHA will review the IRS federal income tax return, and financial documents from prior years, and use this information to anticipate the income for the following twelve months.

The family must provide a copy of their prior year's federal income tax return, if one was filed.

Acceptable methods of verification include the following:

IRS Form 1040, including:

- Schedule C (Small Business).
- Schedule E (Rental Property Income).
- Schedule F (Farm Income).
- Financial statement(s), either audited or not audited, of the business.
- Credit report or loan application.

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

The HCHA may also request documents to support submitted financial statements, such as completed manifests, appointment books, cash journals, or bank statements.

It is the family's responsibility to provide documentation of income and expenses in good order with everything organized, recorded, and totaled. The HCHA will reject documentation that has not been organized and totaled; e.g., an unorganized bundle of receipts.

Section 4.24.0 Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified the same as for any other type of business.

If the applicant/participant is operating a "cash and carry" operation, which may or may not be licensed, the HCHA may require that the applicant/participant complete a form for each customer. The form must indicate the name of person(s) whose child (children) is/are being cared for, phone number, number of hours the child is being cared for, method of payment (check/cash), amount paid, and signature of person who receives the services.

The family must provide a copy of its federal income tax return, if one was filed.

The family must indicate if they are receiving a food allowance or other compensation to offset business expenses. Third-party verification will be requested if another public entity is providing compensation to the childcare provider.

If none of the aforementioned documents is available, the family may provide a notarized self-certification, signed under penalty of perjury, as to gross income received the previous year, as well as anticipated gross income for the following year.

Section 4.25.0 Welfare Payments or General Assistance

Acceptable methods of verification include the following:

- HCHA verification form completed by payment provider.
- Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the following twelve months.
- Computer-generated, faxed, or hard copy notice of action.
- Computer-generated list of recipients from welfare department.
- Direct on-line access to welfare department database.

4.25.1 Income Changes Resulting From Welfare Program Requirements

[5.615]
The HCHA will impute (count) welfare income not received by the family, if the welfare assistance was reduced specifically due to the following:

- Fraud by a family member in connection with the program.
- Failure to participate in an economic self-sufficiency program.
- Noncompliance with a work activities requirement.

Imputed welfare income is annual income the family would have received, had their benefits not been reduced due to the above circumstances. This imputed income would be counted in determining the TTP.

Imputed welfare income is not included in the family's annual income, if the family was not assisted at the time of the welfare sanction.

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

If the additional family income equals the imputed welfare income, imputed welfare income is not counted.

The HCHA will not impute welfare income, if the welfare assistance reduction is the result of the following:

- The expiration of a lifetime time limit, on receiving benefits.
- The family has not complied with other welfare agency requirements not outlined above.
- The family member has complied with welfare agency economic self-sufficiency requirements, or work activities requirements, but cannot, or has not, obtained employment. (For example, the family member has complied with welfare program requirements, but the family has exceeded the maximum time it is allowed to receive benefits, resulting in a loss of benefits).

4.25.2 Verification Before Denying a Request to Reduce Family Rent

The HCHA will obtain a written, faxed, computer, or telephone verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency/work activities requirements before denying a family's request for reduction of family rent. The requested verification from the welfare agency must state the amount, term, and reason for the benefit reduction.

4.25.3 Cooperation Agreements

The HCHA has a cooperation agreement in place with the local welfare agency. The HCHA has access to the welfare agency's database and can search welfare participant records. In addition, the HCHA has a verbal cooperation agreement with the local welfare agency for verbal confirmation of a family's sanction status.

4.25.4 Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income and the HCHA denies the family's request to modify the amount, the HCHA will provide the tenant with a notice of denial, which will include an explanation for the HCHA's determination of the amount of imputed welfare income and an opportunity to request an informal hearing

Section 4.26.0 Assets

[24 CFR 5.609; 982.516]
There is no asset limitation for participation. However, all interest, dividends and other net income of assets, which include real or personal property, must be included in annual income [24 CFR 5.609(b)(3)]. The family must sign a declaration form initially, and at least annually, declaring all assets under the control of the family and those assets disposed for $10,000 or more under fair market value during the past two years.

The HCHA will generally use current circumstances to determine both the value of an asset and the anticipated income from the asset. If current circumstances are not used to determine the asset income, a clear rationale for the decision will be documented in the file. The family may present information and documentation to show why the asset income determination does not represent the family's anticipated asset income.

Total assets will be counted, even if jointly owned by someone not part of the family, providing a family member has unlimited access to those assets. If the family has restricted access to those assets, the HCHA will prorate the family's asset share based on percentage of ownership. If there is no percentage of ownership, the HCHA will prorate the family's asset share evenly among all owners.

Assets not controlled by or accessible to the family, such as assets held in trust by an outside trustee, will not be counted or considered. If there are disbursements to the family from these assets, depending on their regularity, they may either be counted as income or lump sum additions to family assets. Personal property, such as clothing, automobiles, and furniture, will not be counted as assets, unless the personal property is an investment, such as a stamp collection, in which case the family's declaration of the investment's value will be used to determine the asset amount.

The HCHA will request third-party verification to determine the current cash value of the family's assets, if the total value of those assets exceeds $5,000. "Cash value" is the net amount the family would receive if the assets were converted to cash. Assets totaling $5,000 or less will not be verified with third-party verification due to the negligible impact on the housing assistance payment amount and family rent, although that asset, as reflected on family provided documentation, will be reflected in the family's asset calculations.

Due to the added administrative cost, the HCHA will not attempt a third-party verification of any asset in which the source collects a service charge and the family has available original documents, such as bank statements. If the family cannot provide original documents, the HCHA will pay the service charge for third-party verifications.

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, bank account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker. Quotes from a stockbroker or realty agent as to 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.
- Financial statements for business assets.
- Closing documents showing the selling price and the distribution of sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

4.26.1 Interest Income from Mortgages or Similar Arrangements

Acceptable methods of verification include the following:

- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for following 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).
- Amortization schedule showing interest for the twelve months following the effective date of the certification or recertification.
- Copies of the deed of trust and note that indicate the beginning principal, interest rate, term of loan, payment schedule, and principal and interest payment.
- Copy of ledger reflecting the posting of payments and application of interest and principal.
- Copy of year's end statement to borrower.
- Copies of the escrow papers and contract.

4.26.2 Equity in Real Property or Other Capital Investments

Equity is the estimated current market value of an asset (such as a house) less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. The residence of the family is not considered an asset, in cases of manufactured homeowners receiving assistance on the spaces, or Section 8 Homeownership participants receiving assistance on the purchase of their residences.

If a capital investment is owned jointly with others not in the household, a prorated share of the property's cash value will be counted as an asset.

4.26.3 Net Rental Income from Property

The family must provide adequate documentation for the HCHA to anticipate net rental income.

Acceptable methods of verification include the following:

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

4.26.4 Checking and Savings Accounts, Stocks, Bonds, Certificates Of Deposit, and Money Market Funds

The HCHA will count as assets amounts in the family's checking, savings, certificate of deposit (CD), and money market accounts, including those accounts held by children.

The HCHA will count the current value, unless there is evidence provided by the family that an average of the balance for the last 2-6 months is a better reflection of anticipated assets. The HCHA will calculate interest income based on the interest rate reflected on the most current statement, or on the CD set rate, unless third party verification reflects a higher interest rate. For stocks, the HCHA will calculate asset income based on the earnings for the most recent reporting period, and may average the earnings for the prior 12 months.

Acceptable methods of verification include the following:

- Written third-party verification from the institution handling the asset.
- Account bank statements, passbooks, certificates of deposit, or HCHA verification forms completed by the financial institution.
- Broker's statements showing value of stocks or bonds and the earnings credited the family, or copies of bonds. Earnings can be obtained from current newspaper quotations, bank, or oral broker's verification.
- IRS Form 1099 from the financial institution provided that the HCHA must adjust the information to project earnings expected for the following twelve months.

4.26.5 Lump Sum

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

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

Refer to pages 5-25 of the HUD Housing Choice Voucher guidebook for excluded and included assets.

Section 4.27.0 Contributions to Retirement Funds

[24 CFR 5.603(d)]
Contributions to company retirement/pension funds are handled as follows:

- While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment. In addition, count only the amount the family would actually receive after any costs or fees involved with liquidating the asset have been deducted.
- After retirement or termination of employment, count as an asset any amount the employee is eligible to receive as a lump sum, after any costs or fees involved with liquidating the asset have been deducted.

Section 4.28.0 Assets Disposed of for Less Than Fair Market Value

[24CFR 5.603(d)(3)]
At certification and recertification, the HCHA will obtain the family's self-certification as to whether any member has disposed of assets for $10,000 or more under fair market value during the two years preceding the effective date of the certification or recertification. 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 as a result of a divorce or separation are not considered assets disposed of for less than fair market value, providing some monetary consideration was received, and there is a separation or divorce settlement agreement established through arbitration, mediation, or court order.

If the family certifies it has disposed of assets for $10,000 or more under fair market value, documentation is required that shows: (a) the type of assets disposed of, (b) the date they were disposed of, (c) the amount the family received, and (d) the FMV of the assets at the time of disposition. Third-party verifications will be obtained wherever possible.

Assets to be considered include real property, savings, stocks, bonds, and other forms of capital investments.

Excluded assets are the value of personal property such as furniture and automobiles, as well as a trust fund or asset not under the control of any member of the assisted family.

Section 4.29.0 Deductions and Allowances

[24 CFR 5.611; 982.516]
Adjusted Income is defined as annual income minus any HUD allowable expenses and deductions.

Deductions must be anticipated for the following year, and the family eligibility for those deductions must be evaluated. Generally, the HCHA will use current circumstances to anticipate expenses, but will take into consideration known future costs and expenses expected to fluctuate during the year (e.g., child care expenses for school-age children), as well as look at historical data (e.g., prior year's prescription expenses) to anticipate annual expenses.

If the family has an accumulated debt for an eligible expense not previously allowed as a deduction, the HCHA may allow as a deduction the amount anticipated to be repaid on the debt during the next year. The HCHA may use historical information as a basis for anticipated repayment of the debt.

HUD allows the following five deductions from annual income:

1. Dependent allowance: $480 each for family member (other than the head, spouse, or co-head, foster children, or live in aides) who is a minor under 18 years old, an adult full-time student, or a family member with disabilities. An unborn child is not eligible for this allowance.
2. Elderly/disabled allowance: $400 per family for families whose head, spouse or co-head is 62 years old, or older, or disabled.
3. Allowable medical expenses: Deducted for all family members, except for foster children or live in aides, of an eligible elderly/disabled family in which the head of household or spouse is 62 years old or more, or disabled. Allowed only if not reimbursed from another source and only the amount that exceeds three percent of the total gross non-excluded annual household income.
4. Child care expenses: Reasonable child care expenses deducted for the care of the assisted family's children under age thirteen when child care is necessary to allow an adult member to work, attend school, or actively seek employment. Allowed only if not reimbursed from another source. Childcare expenses for the care of foster children are not allowable expenses.
5. Allowable disability assistance expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities, only if needed to enable the disabled individual or an adult family member to work and is not reimbursed from another source.

Section 4.30.0 Pregnant Applicant/Participant

No dependent allowances for an unborn child.

Section 4.31.0 Expenses Deducted From Annual Income Childcare Expenses

[24 CFR 5.603]
Childcare expenses for the assisted family's children who are living in the assisted unit and who are under thirteen (13) years old may be deducted from annual income, if they enable an adult family member to work, actively seek work, or further his/her education. However, childcare expenses for foster children are not allowed. In the case of child care expenses to allow an adult family member to actively seek employment, the family member must provide documentation in the form of a written log indicating the date, beginning and ending times, and the names and addresses where he/she went to actively seek employment.

In the case of a child-attending private school, only after-hours care will be allowed as childcare expenses.

Childcare expense deductions are allowed based on the following guidelines:

> Childcare to work: The maximum childcare expense allowed cannot exceed the amount earned by the person enabled to work whose income is included in the family's annual income. The "person enabled to work" will generally be the adult member of the household who earns the least amount of income from working, unless the family provides documentation that justifies the designation of another family member as the person enabled to work. The number of hours of allowable childcare cannot exceed the number of hours worked, plus reasonable transportation time, of the person enabled to go to work.
>
> Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, plus reasonable transportation time. To be eligible for the deduction, the family member must provide proof of enrollment in an academic or vocational school or a formal training program and the hours of classes or training.
>
> Childcare to actively seek employment: The number of hours claimed for childcare may not exceed the time taken to actively seek employment as indicated on the family member's written log.

Amount of Expense: The HCHA will only allow reasonable childcare expenses and only those expenses attributed directly for childcare. If only a portion of the expenses is for childcare, the HCHA will prorate the expenses based on the number of hours spent on childcare compared with the total number of hours services are provided. The HCHA may survey local childcare providers in the community for information on average childcare costs. If the childcare expense information submitted by the participant materially exceeds comparable reasonable childcare cost, the HCHA will calculate childcare expenses using an average of reasonable comparable childcare cost and not the amount submitted by the participant.

Written verification from the recipient of the childcare payments is required. If the childcare provider is an individual, he/she must provide a statement of the amount charged the family for the services.

Verifications must specify the childcare provider's name, address, telephone number, social security number or tax identification number, the names of the children cared for, the number of hours the childcare occurs, the rate of pay, and the typical yearly amount paid, including adjusted figures for school and vacation periods.

The HCHA will not provide a deduction for non-child care services provided by the childcare provider such as housekeeping, shopping, or cooking, nor for childcare services provided by a family member residing in the assisted unit. The family must certify if any childcare expenses have been, or will be, paid or reimbursed by outside sources.

The HCHA will compare the hours of childcare with the activities engaged in by the adult household member requiring the childcare in order to actively seek work, pursue education or be gainfully employed. A copy of the schedule of classes, employer verification of work hours, or log indicating job-seeking activities may be requested to verify the need for childcare.

Section 4.32.0 Medical Expenses

[24 CFR 5.609(a)(2), 5.603]
Medical expenses are allowed only for elderly or disabled families, with a head of household or spouse who is elderly, disabled, or both. IRS Publication 502 will be used as a guide to assist in determining allowable medical expenses in instances when the regulations or HCHA policies are unclear. If an expense is eligible as both a medical and a disability assistance expense, the expense will be considered a medical expense.

Medical expenses are expenses anticipated for the 12 months following certification or recertification, which are not covered by an outside source such as insurance, and which exceed three percent of the gross annual income of the family.

Families, who claim medical expenses, must submit a certification indicating if medical expenses have been, or will be, reimbursed by an outside source. It is the responsibility of the family to provide documentation of expenses in the format required by the HCHA.

Expenses supported by confusing, unclear, or non-descriptive documentation will be disallowed. All medical expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital, clinic personnel, dentist, pharmacist of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) the expenses to be reimbursed by an 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 on Medicare premiums to be paid by the family over the following twelve months. A computer printout, or copy of award letter indicating Medicare deductions, will be accepted.

For attendant care:

- A reliable, knowledgeable, professional's certification that the assistance of an attendant is necessary as a medical expense with a projection of the number of hours the care is needed.
- An attendant's written confirmation of the hours of care provided, and the amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or pay stubs or written verification from the agency providing the services.
- Receipts, canceled checks, or pay stubs that clearly reflect and describe medical costs and insurance expenses likely to be incurred in the following twelve months will be accepted.
- Copies of payment agreements, or most recent invoices to verify payments made on outstanding medical bills, will continue over all or part of the following twelve months.
- Receipts or other records of medical expenses incurred during the past twelve months that can be used to anticipate future medical expenses may be accepted. The HCHA may use this approach for "general medical expenses," such as nonprescription drugs, and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

***Prescribed medicines and drugs**:* Must be prescribed by a doctor. The family must provide legible pharmacy receipts that clearly indicate the expense amount in U.S. dollars, date, and the type of medicine purchased.

***Nonprescription medicines*:** Refer to IRS Publication 502 guidelines for the handling of nonprescription medicines. Except for insulin, a medical expense amount paid for a drug that is not prescribed is not an eligible medical expense. For example, the doctor recommends that the participant take aspirin. Aspirin is a drug that does not require a physician's prescription, so the cost is not an eligible medical expense.

Herbal medicines: To be allowed, the family must provide a medical professional's written recommendation for the necessity of their use as a necessary treatment for a specific medical condition, the name of the herbal medicine, and the quantity recommended. The family must also provide legible receipts that clearly indicate the amount in U.S. dollars, date, type and quantity of herbal medicine purchased.

***Vitamins**:* To be allowed, the vitamins must be prescribed, purchased from a pharmacy, and accompanied by a medical professional's written recommendation for their use as a necessary treatment for a specific medical condition. The family must also provide legible pharmacy receipts that clearly indicate the amount in U.S. dollars, date and type of vitamins purchased.

***Mileage for medical appointments**:* The HCHA will provide allowances for mileage expenses for medical appointments within Harford County, Baltimore County, and Baltimore City at the lower of the current IRS standard mileage rate, so long as copies of mileage logs, appointment letters or other documentation are provided.

Mileage logs must be documented with starting address and destination address, odometer readings with beginning and ending mileage, and purpose and date of visit.

Bus, trolley, or cab fare must be documented with legible receipts that provide the date and cost of the trip along with destination address and purpose of the trip. Transportation expenses for medical appointments outside of Maryland are not allowed.

***Medical services**:* To be allowed, the family must provide legible receipts that clearly indicate the medical services, the amount in U.S. dollars, dates of the services, the names and addresses of the medical providers, and if the providers are physicians, surgeons, specialists, or other medical practitioners.

***Medical devices**:* To be allowed as a medical expense, a medical device must be directly related and created to treat or assist in treating a specific disease or medical condition. For example, a blood tester for a person with diabetes is an eligible medical expense, as is a blood pressure device for a person with high blood pressure, or an oxygen unit for a person with emphysema.

***Medical supplements in solid or liquid form**:* To be allowed, the supplements must be prescribed, purchased from a pharmacy, and accompany a medical professional's written recommendation for their use as a treatment for a specific medical condition. The family must also provide legible pharmacy receipts that clearly indicate the amount in U.S. dollars, the date, and type of supplements purchased.

Medical Insurance Premiums: Must provide receipts or official documentation of current monthly premiums.

Section 4.33.0 Standards for Physical Therapy Exercises at Non-Traditional Settings

Physical and mental health therapy expenses for treatment at non-traditional (as opposed to traditional physical or mental health therapy administered by licensed medical personnel at their medical offices, medical facilities, or hospitals) settings are allowed medical expenses, providing the treatment is necessary to treat a specific disease or medical condition, is prescribed by a licensed medical professional, and providing the treatment is administered and/or directly supervised by a licensed medical professional.

An expense for the use of recreational facilities (e.g., health club, gym, spa, massage center, tennis court, etc.) not directly administered and/or supervised by a licensed medical professional to ensure the facilities are being used in the prescribed manner, is not an allowed medical expense.

A licensed medical professional must provide a written statement indicating the type of therapy at a non-traditional setting is needed by the patient, whether the therapy is necessary to treat a specific disease or medical condition, the number of hours per week or month the therapy is to be provided, the setting or settings where the therapy may be provided, and whether the therapy is needed on an ongoing basis or the specific period of time the therapy is needed.

A medical professional administering and/or supervising a therapy or treatment for a specific disease or medical condition at a non-traditional setting must provide verification indicating the number of hours per week or month the medically prescribed therapy/treatment is being accessed.

In the case of allowed medical expenses for the use of recreational facilities, if the cost of the use of the facilities includes non-treatment services/activities, the medical expenses portion of the payment will be prorated based on the number of hours necessary to treat the specific disease/medical condition versus the overall number of hours the facility is available to the patient. For example, in the case of an individual membership at a 24-hour/365 day fitness center at which the patient is prescribed one-hour daily/365 days a year of medically supervised exercises/physical therapy that are necessary to treat a specific medical condition or disease, the total allowable expenses would be 1/24th of the overall cost.

Section 4.34.0 Medicare Prescription Drug Plan - Part D

The permanent Medicare Prescription Drug Plan benefit became effective January 1, 2006.

This plan makes prescription drug coverage available to all Medicare beneficiaries. Medicare beneficiaries with low income and limited assets are eligible for additional assistance to pay for Medicare Prescription Drug Plan costs.

In calculating annual income for a family, the low-income subsidy received to assist low-income persons in paying for their Medicare Prescription Drug Plan costs must be excluded as annual income for the purpose of calculating any rent or assistance.

The amount of out-of-pocket expenses for prescription drugs is treated as a standard medical expense. The premiums some plan participants may pay for this plan will be treated as a medical expense.

Section 4.35.0 Ineligible Medical Expenses

Medicines and other items and treatments that are not for the treatment for a specific medical condition, but recommended to maintain general health, or as a preventative treatment, are not eligible medical expenses. Personal use items are not eligible medical expenses. Treatment in a non-traditional, non-medical setting is not an eligible medical expense unless it is directly administered or supervised by a licensed medical professional.

Section 4.36.0 Disability Assistance Expenses

[24 CFR 5.603(b) and 5.611(a)(3)(ii)]
Disability assistance expenses, not reimbursed from another source, may be deducted to the extent the total expenses plus medical expenses do not exceed three percent (3%) of annual income. Disability assistance expenses are only allowable to the extent they allow a family member, including the disabled family member, to work, and the expenses may not exceed the gross income of that family member allowed to work.

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

If the disability assistance expenses allow multiple family members to work, the expenses will be capped by the combined gross employment income of those family members.

4.36.1 Eligible Disability Expenses Auxiliary Apparatus

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible disability expenses. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations, but not the cost of the apparatus itself, is an eligible expense. In order for the cost of a service animal to be an eligible expense, the family must provide documentation from the agency that trained the service animal that describes the type of animal and the animal's unique skills and abilities, as well as a verification from a medical professional regarding the need for the service animal to provide disability assistance services. The cost of an approved service animal, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care will be eligible disability expenses.

Auxiliary Apparatus expense verifications include receipts for purchases, or proof of monthly payments, and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, required documentation includes a statement from the employer stating that the auxiliary apparatus is necessary for employment. In the case where the auxiliary apparatus allows another adult to work, required documentation includes a statement from the family that the apparatus is necessary to allow an adult family member to work.

4.36.2 Eligible Attendant Care

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

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

The HCHA will allow a prorated expense deduction if the attendant provides other services not related to disability assistance, such as housekeeping or childcare. The proration will be based on the number of hours spent on eligible activities as compared with the total hours worked.

Attendant care verifications include the following:

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

4.36.3 Necessary and Reasonable Expenses

The HCHA will allow only reasonable disability expenses and may verify the reasonableness of those expenses by obtaining information from organizations that provide services to persons with disabilities.

In all cases, required documentation includes a written certification from a reliable, knowledgeable professional, stating that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus, to permit him/her to be employed, or to enable another family member to be employed.

The family must certify whether it receives reimbursement for any of the expenses of disability assistance, and the amount of any reimbursement received.

Section 4.37.0 Total Tenant Payment and Tenant Rent Proration of Assistance for "Mixed" Families

[24 CFR 5.520]
Applicability Proration of assistance for mixed families must be offered to any "mixed" applicant or participant family. A "mixed" family includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

4.37.1 Prorated Assistance Calculation

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

Section 4.38.0 Minimum Rent

[24 CFR 5.830]

4.38.1 Minimum Rent Amount

The HCHA's "minimum rent" is $50. Minimum rent refers to the total tenant payment and includes the combined minimum amount a family must pay towards rent and/or utilities. "Subject to minimum rent" means the minimum rent was the greatest of either 30 percent of the monthly-adjusted income, 10 percent of the monthly gross income, or the minimum rent.

4.38.2 Hardship Requests for an Exception to Minimum Rent

All above minimum rent activities that fall under 24 CFR 5.630 and under the October 21, 1998, Quality Housing and Work Responsibility Act are not applicable so long as the HCHA has zero minimum rent. The HCHA will suspend minimum rent in accordance with 24 CFR 5.630.

4.38.3 Zero HAP

A family determined to be ineligible for assistance because their TTP exceeds the lower of the gross rent or payment standard will continue on the program for 180 days after the determination of zero HAP. A notice of intended action will be issued to the family effective the initial date of the zero HAP status.

A family that requests to transfer during the 180-day period will be issued a transfer packet and a voucher, if family is eligible to move. However, the HCHA may not enter into a HAP contract if the family would be in zero HAP at the new unit.

Section 4.39.0 Utility Reimbursement Payment

[24 CFR 982.514(b)]
The utility reimbursement payment will be issued directly to the utility company when possible.

CHAPTER 5 Voucher, Subsidy Standards, Household Composition

[24 CFR Part 982.303, 982.402, 982.551, 982.54(d)(9)]

Section 5.1.0 Introduction

HUD guidelines require the HCHA to establish a term for issued vouchers. In addition, the HCHA must establish subsidy standards for the determination of family unit size that provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS). This chapter explains the established term for voucher utilization, subsidy standards that HCHA will use to determine the voucher size (family unit size) for families when they are selected from the waiting list, the HCHA's procedures for a family size change, and for family selection of a unit of a different size than the voucher size.

Section 5.1.1 Voucher Provisions

[24 CFR 982.302, 982.303, 982.54(d)(11)]
During a briefing session or upon approval of a participant's transfer of unit, a household will be issued a Housing Choice Voucher, form HUD-52646. The voucher represents a contractual agreement between the HCHA and the family, specifying the rights and responsibilities of each party. It does not by itself, constitute admission to the program, which occurs after a family is selected from the Section 8 waiting list, found eligible, attends a briefing, the initial unit passes inspection, and the initial lease and contract become effective.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and the initial date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence the HCHA has determined the family to be eligible for the program and that the HCHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the HCHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the HCHA's Housing Choice Voucher Program. If the HCHA determines there is insufficient funding after a voucher to an applicant is issued, the HCHA may rescind the voucher and place the affected family back on the waiting list.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and the initial date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence the HCHA has determined the family to be eligible for the program and that the HCHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the HCHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the HCHA's Housing Choice Voucher Program. If the HCHA determines there is insufficient funding after a voucher to an applicant is issued, the HCHA may rescind the voucher and place the affected family back on the waiting list.

5.1.2 Expirations

A voucher is valid for a period of 60 calendar days from the date of issuance. The family must submit a Request for Tenancy Approval (RTA) within the 60-day period. An extension may or may not be granted, depending on current departmental policy. If the voucher has expired, the family will be denied assistance and must reapply to the HCHA waiting list. The family will not be entitled to a review or hearing.

5.1.3 Suspensions

When a RTA is received, the HCHA will not add the number of days taken to process the RTA to the term of the voucher. This is called "tolling."

5.1.4 Extensions

If the HCHA is allowing extensions, a family may request, in writing prior to voucher expiration, an extension to the term of the voucher. The program manager or designee must approve all voucher extensions beyond the initial term. An initial extension will be for a period of no more than 30 days.

Extensions are permissible if funding is available and at the discretion of the HCHA. An extension, upon verification, may be granted based upon the following factors:

- The family suffered an illness, injury, hospitalization or a family emergency for an extended period of time, which has affected the family's ability to find a unit.
- The family is a large hard to house family.
- The family has a need for reasonable accommodation for a disabled family member.
- The Director has authorized extensions.
- The HCHA must be satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the HCHA, throughout the initial term. A written family search record may be required.

5.1.5 Assistance to Voucher Holders

Families who require additional assistance during their search may call the HCHA to request assistance.

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

After the first 30 days of the search, the family should maintain a search record. The search record may be required for any voucher extension requests. The search record must include a list of the units visited. This list must include the dates the units were examined, the landlords' names and telephone numbers, the unit addresses, the rents, and why the voucher holder was not able to rent the unit.

Section 5.2.0 Voucher Issuance Determination for Split Households

[24 CFR 982.315]
When an assisted family, or a family who has been issued a voucher, divides into two otherwise eligible families, and cannot agree as to which new family unit should retain the assistance and/or the voucher, and there is no determination by a court, the HCHA, to determine which family will receive the voucher, will consider the following factors, in ranking order of importance, with one (1) being the greatest importance, and six (6) being the least important:

1. Whether domestic violence was involved in the breakup.
2. Which of the two new family units has custody of dependent children.
3. The composition of the new family units and which unit contains elderly or disabled members.
4. Recommendations of social service professionals.
5. Which family member was the head of household when the voucher was initially issued, as indicated on the initial application.
6. Which family members are remaining in the assisted unit.

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

The decision regarding who will be assigned the voucher will be issued in writing to both parties within 30 days of the request for assignment. The party not assigned the voucher may request an administrative review of the decision within 14 days of the date of the notice. The decision will be reviewed by a Housing Specialist II or above who was not a party to the original decision.

Section 5.3.0 Determining Voucher Size (Family Unit Size)

[24 CFR 982.402]
The HCHA may change its subsidy standards at any time, without prior notice to its participants, should the circumstances warrant it, such as in the case of funding reductions.

The voucher size is determined prior to the briefing by comparing the family composition to the HCHA subsidy standards.

The applicable subsidy standards relate to the number of bedrooms on the voucher, not the family's actual living arrangements. After initial voucher issuance, the voucher size may <u>increase</u> for approved household additions, for a reasonable accommodation for a person with disabilities, or for a live-in aide. After initial voucher issuance, the voucher size will not <u>decrease</u>, unless there is a change in family composition, the family is no longer entitled to an exception to the subsidy standards, the subsidy standards change, or the subsidy standards were incorrectly applied.

5.3.1 Subsidy Standards

The HCHA is not concerned with who shares a bedroom/sleeping room, but requires at least one person who is a permanent member of the household per bedroom when determining the voucher size.

The HCHA's subsidy standards for determining voucher size shall be applied in a manner consistent with fair housing guidelines.

Generally, upon voucher issuance to new program admissions and incoming ports, the HCHA will issue a voucher within the following guidelines:

- One bedroom is assigned per two family members, regardless of sex, age, or relationship.
- A live-in aide is entitled to a separate bedroom.
- Permanent foster children/adults are defined as those expecting to reside with the family for at least one year.
- No additional voucher bedrooms are provided for a live-in aide's family.
- A family member may have only one live-in aide.

Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member absent due to military service. A single pregnant woman will not be eligible for a two-bedroom voucher.

For incoming portability, the aforementioned standards apply to family members listed on the HUD-50058. Any additional family members to be added to those listed on the HUD-50058 will require HCHA approval and are subject to the limitations to household additions applied to program participants.

5.3.2 Increases in Voucher Unit Size for Participants

The HCHA may increase the voucher size upon the approval of additional household members, including permanent foster children/adults, the addition of a live-in aide, or as a reasonable accommodation for a person with disabilities. The family must request a review of its voucher size in writing.

5.3.3 Decreases in Voucher Unit Size for Participants

The HCHA will not reduce the voucher unit size for participants unless there is a change in household composition, the family is no longer entitled to a reasonable accommodation or a live-in aide, the subsidy standards change, or it is found the current

subsidy standards were never applied or were applied in error. A reduction in voucher size will be applied at the next family recertification, or as soon as possible thereafter. The family must receive at least 60-days advance notification of a reduction in voucher size.

5.3.4 Exceptions to Subsidy Standards

[24 CFR 982.402]
The HCHA may grant exceptions to its subsidy standards, upon request, provided the HCHA determines the exceptions are justified and documented.

5.3.5 Reasonable Accommodation

A reasonable accommodation request will not be considered if there is bedroom space available to other family members, such as a shared bedroom, that if utilized, would free up a separate bedroom for the disabled family member. Non bedroom areas will not be considered in making this determination.

The HCHA will not approve an additional bedroom for nonliving purposes, such as the placement of equipment/supplies, unless the equipment/supplies are necessary for a person with disabilities and are necessary to meet that person's immediate needs. Medical equipment/supplies that are not currently being used, or may not be used within the next six months, are not considered in the determination of need for an extra bedroom.

The disability must meet the HUD definition of disability that requires a reasonable accommodation. Refer to the glossary for the HUD definition of a person with disabilities.

5.3.6 Live-in Aide

A live-in aide is entitled to a separate bedroom. If a live-in aide is added to the household, the family is entitled to a one-bedroom increase in voucher size, provided they are living in or transferring to an appropriately sized unit.

A live-in aide's family members may reside in the unit so long as the unit is not overcrowded, but they are not entitled to additional bedrooms.

5.3.7 Request for Exceptions to Subsidy Standards

The family must request, in writing, a larger voucher than warranted under the HCHA subsidy standards as a reasonable accommodation for a family member with disabilities or for a live-in aide. The family request must justify the need for a larger voucher. A family request for a reasonable accommodation must also explain how the additional bedroom will allow the person with disabilities better access to the program.

A reasonable accommodation will only be given to the person with disabilities - not the family member without disabilities.

A state of Maryland licensed doctor, or other state of Maryland licensed medical professional, such as a nurse, psychiatrist, psychologist, or a social service professional must provide a certification initially and upon family transfer of the need for additional bedrooms as a reasonable accommodation for a family member with disabilities, or the need for a live-in aide. In addition, the health professional must explain why the extra bedroom is needed to provide a reasonable accommodation for that family member and/or why the live-in aide is necessary to provide care to the elderly or near-elderly household member or a household member with disabilities. The HCHA will require only the information necessary to determine the needs that warrant an additional bedroom or live-in aide, and not to determine the type of disability.

Section 5.4.0 Determination of Household Status and Composition

5.4.1 Family Composition

[24 CFR 982.201]
The family must obtain HCHA approval of any additional family member prior to that person moving into the assisted unit, unless the addition is by birth, adoption, return of disabled or minor children to the family, or court-awarded custody.

5.4.2 Unrestricted Admissions

Additions through birth, adoption, court-awarded custody and the return of disabled or minor children to the household do not require prior approval, but the family is still required to report these additions within 14 days, and these additions are still subject to family eligibility requirements, such as criminal history prohibitions.

5.4.3 Partially Restricted Admissions

The addition of foster children/adults is allowed with prior HCHA approval. They may not be added if the unit will be overcrowded, but the family may transfer to an approved unit. The family may receive a larger voucher to add permanent foster children/adults in accordance with the subsidy standards.

The addition of a live-in aide is allowed with prior HCHA approval. Live-in aides may not be added if the unit will be overcrowded, but the family may transfer to accommodate the live-in aide. A live-in aide is entitled to a separate bedroom.

5.4.4 Unrestricted, Partially Restricted, and Restricted Admissions to the Household

Type of Admission	***Approval***	***Criteria to Allow Admission***
Children Born to the Assisted Family	No	None.
Court-Awarded Custody	No	If found to have engaged in prohibited activities, the family must take action to exclude from the household.
Return of Minor or Disabled Children to the Family (must have been a part of the family at one time)	No	If found to have engaged in prohibited activities, the family must take action to exclude from the household.
Adoption	No	If found to have engaged in prohibited activities, the family must take action to exclude from the household.
Other Adults	Yes	Each Other Adult added must have income and if employed, a work history of at least 32 hours per week for the last 12 months or other steady income for last 12 months. No prohibited activities, including criminal history Landlord must approve in writing in advance. May not be added if unit will be overcrowded, but family may transfer to add. Subject to the limitation of no more than two people every 12 months of Other Adults/Children.
Other Children	Yes	No prohibited activities, including criminal history. Landlord must approve in writing in advance. May not be added if unit will be overcrowded but family may transfer to add. Subject to the limitation of no more than two people every 12 months of other adults/children.

Type of Admission	***Approval***	***Criteria to Allow Admission***
. Foster Children/adults	Yes	No prohibited activities, including criminal history. Landlord must approve in writing in advance. May not be added if unit will be overcrowded but fa may transfer to add permanent foster children/adults
Live-in Aide	Yes	No prohibited activities, including criminal history. Landlord must approve in writing in advance. May not be added if unit will be overcrowded but fa may transfer to add. May not be added if they may negatively impact the family.

5.4.5 Restricted Admissions

All admissions to the household not categorized above are limited to a total of two persons in a 12-month period. The voucher size may be increased in accordance with the subsidy standards. Each restricted adult admission must currently have income and have a steady income history over the past 12 months. If the income is from employment, they are required to be employed a minimum of 32 hours per week for the previous 12 months. They may not be added if the unit is overcrowded, but the family may transfer to add. They will not be approved without the landlord's permission. Exceptions to the income requirement for close blood relatives of the head of household or spouse may be granted based on documented hardship or serious medical reasons.

5.4.6 Qualifying Family

A qualifying family may be a single person or a group of persons.

A family may or may not include a child or children. A family may consist of one or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides. The HCHA determines if any other group of persons qualifies as a family.

A single person family may be:

- An elderly person.
- A person with a disability (Individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence).
- Any other single person.
- A child who is temporarily away from home because of temporary placement in foster care is considered a member of the family.

A family also includes:

- Two or more persons residing together using their combined income and resources to meet their needs.
- Two or more elderly or disabled persons residing together sharing income and resources.
- One or more elderly, near elderly, or disabled persons residing together, with one or more live-in aides.

5.4.7 Head of Household

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

5.4.8 Spouse of Head of Household

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

For proper application of the non-citizen rule, the definition of spouse is the marriage partner for whom, in order to dissolve the relationship, must be legally divorced. In addition, the partner in a common law marriage is also considered a "spouse." The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

5.4.9 Co-head

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

5.4.10 Elderly and Near Elderly Persons, Elderly Family

[24 CFR 5.100 and 5.403]

An elderly person is at least 62 years of age. A near-elderly person is at least 50 years of age. An elderly family is one in which the head, spouse, co-head, or sole member is an elderly person.

5.4.11 Persons with Disabilities and Disabled Family

[24 CFR 5.403]
A disabled family is one in which the head, spouse or co-head is a person with disabilities.

Persons with drug or alcohol dependencies are considered persons with disabilities for protection against discrimination, although these persons must comply with all eligibility criteria, including not engaging in illegal drug activities or a pattern of alcohol abuse.

The term "person with disabilities" means a person who has any of the following types of conditions:

Has a disability, as defined in 42 U.S.C. Section 423(d) (1)(a), which reads:

- Inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
- In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in Section 416(i) (1) of this title), the inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time.

Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

- A severe, chronic disability of a person five years of age or older which: Is attributable to a mental or physical impairment or combination of mental and physical impairments.
- Is manifested before the person attains age twenty-two.
- Is likely to continue indefinitely.
- Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; and
- Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age five, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.

Has a physical, mental, or emotional impairment that is expected to be of long continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

5.4.12 Individual with Handicaps

[24 CFR 8.3]
For the purposes of reasonable accommodation and program accessibility for persons with disabilities, the term "persons with disabilities" refers to an individual with handicaps.

An individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment. The term does not include any individual who is an alcohol or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to the property or safety of others.

A physical or mental impairment includes:

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

Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

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

Is regarded as having an impairment means:

- Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
- Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
- Has none of the impairments defined under physical or mental impairment, but is treated by a recipient has having such an impairment.

5.4.13 Dependent

Under 24 CFR 5.603, a dependent is a family member who is under 18 years of age, or a person of any age who has disabilities or is a full-time student. A dependent can <u>never</u> be the head of household, spouse, co-head, foster children/adults, or live-in aides.

5.4.14 Children Receiving Adoption Assistance

All but $480.00 of Adoption Assistance is excluded from the family's annual income. The children are regular family members and are treated like any other dependents.

5.4.15 Foster Children/Adults

A family may include foster children/adults. Foster adults are usually persons with disabilities, unrelated to the assisted family, who are unable to live alone [24 CFR 5.6091.

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Documentation must be submitted to verify the identity of the foster children/adults, to confirm they are foster children/adults and the benefits paid on behalf of the foster children/adults. A streamlined documentation process is acceptable for foster children/adults expected to be in the household for a short period of time. Foster children/adults expected to be in the household at least one year are considered a part of the family in determining the subsidy standards and income limits.

Foster children/adults are considered household members, but not family members. They are treated differently than family members:

- The income paid on behalf of foster children/adults is not counted in determining the rental subsidy.
- There are no dependent allowances for foster children/adults.
- There are no childcare expense deductions for foster children/adults.
- Foster children/adults are not subject to non-citizen rule requirements.
- Foster children/adults may not be considered remaining members of the tenant family.

5.4.16 Live-in Aides

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

1. Is determined by the HCHA to be essential to the care and well being of a near elderly (at least 50 years of age) or elderly person or a person with disabilities and will provide services that cannot be provided any other way.
2. Is not obligated for the support of the person(s)
3. Would not be living in the unit except to provide care for the person(s).
4. Was not a member of the assisted household as a family member for at least one year prior to being admitted as a live-in aide.
5. Is the only live-in aide providing services to that family member.
6. Will not overcrowd the unit.

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

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

Live-in aides are not subject to non-citizen rule requirements.

Live-in aides may not be considered a remaining member of the tenant family. A live-in aide may not have an ownership interest in the dwelling unit.

A live-in aide must be out of the assisted household for at least one year before he/she is eligible to be admitted to the assisted unit as a family member.

A household member must be out of the assisted household for at least one year before he/she is eligible to be admitted to the assisted unit as a live-in aide.

A live-in aide must be available to the family member the required number of hours prescribed on the medical professional's verification.

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

A live-in aide may only reside in the unit with the approval of the HCHA. Written verification will be required from a state of Maryland licensed professional, such as a doctor, social worker, or caseworker. The verification must certify that a live-in aide is needed for the care of the family member who is near elderly, elderly, or disabled, the number of hours of daily care necessary, and that the services provided by the live-in aide cannot be provided any other way.

A participating family whose live-in aide has left the household has 30 days from the date the live-in aide left to obtain another eligible live-in aide. After 30 days, a 60-day notice of action will be issued reducing the voucher size. If an eligible live-in aide is approved prior to the effective date of the notice of action, the notice of action will be rescinded.

An applicant or transferring family must identify an eligible live-in aide prior to execution of the HAP contract.

Per Title 24 CFR 982.3 16, the HCHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval if:

- The person commits or has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits or has committed drug-related criminal activity or violent criminal activity; or
- The person is subject to the sex offender registration requirement of a state sex offender registration program, or
- The person is obviously not capable or not available to fully meet the needs of the person requiring a live-in-aide, or

- The person is not approved by the landlord, or
- The person has a history of disturbance or other occupancy problems, or
- The person is unwilling to provide proof of identification or unwilling to sign the necessary releases of information, or
- The person currently owes rent or other amounts to the HCHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.

The HCHA will deny the admission of a live-in aide as outlined in 24 CFR Part 982.553 in accordance with the prohibition period outlined in Chapter 3. In particular, the HCHA will deny admission of a live-in aide for criteria outlined under 24 CFR Part 982.553 (a) (ii) (3) for permissive prohibitions to prohibit program admission for "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."

The family members of a live-in aide may reside in the unit with approval of the HCHA. However, the HCHA reserves the right to rescind the approval or disapprove the addition of family members of a live-in aide because they may negatively impact the assisted household, or because they are not the dependents or the spouse of the live-in aide.

5.4.17 Remaining Member of the Family

[24 CFR 982.315]
A remaining member of the tenant family is the person remaining in the household when the head of household, spouse/co-head are absent. Authorized family members are eligible for remaining member status and the family's voucher.

A live-in aide, the families of a live-in aide; or foster children/adults are not eligible for remaining member status.

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

- The court has awarded emancipated minor status to the minor, or
- The HCHA has verified that social services and/or the juvenile court has arranged for another adult to be brought into the assisted unit to care for the child for an indefinite period.
- A reduction in family size may require a reduction in the voucher size.

5.4.18 Visitors

A visitor, except as noted below, who is in the unit more than 14 consecutive days without HCHA approval, or a total of 30 days in a twelve-month period, will be considered to be living in the unit as an unauthorized household member. Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose (i.e., accepting legal services or receiving mail) that is not explicitly temporary, shall be construed as permanent residence.

Absence of evidence of any other permanent address will be considered verification that the visitor is a member of the household. The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household, and the HCHA will terminate assistance.

The limitation on visitors is not applicable to minors and college students who were once part of the household, children under a joint custody agreement, and adult caretakers, not included on the HUD 50058. Minors and college students who were part of the family, but who now live away from home during the school year and are no longer on the lease, may visit, with the landlord's and the HCHA's permission, for up to 120 days per year without being considered a member of the household. An adult caretaker may remain in the unit as a visitor for up to 180 days.

5.4.19 Mixed Families

[24 CFR 5.518]
Under the non-citizens rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The non-citizens rule was implemented prior to November 29, 1996, and "mixed" families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all of the following criteria:

- The head of household or spouse is a U.S. citizen or has eligible immigrant status; and
- All members of the family other than the head, the spouse, parents of the head or the spouse, and children of the head or spouse, are citizens or eligible immigrants. The family may change the head of household to qualify for this provision.

Section 5.5.0 Temporarily/Permanently Absent Family Members

[CFR 982.54 (d) (10), 982.551]
The HCHA must count all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the HCHA must count the income of the spouse, co-head or the head of the household, if that person is temporarily absent, even if that person is not on the lease. The income of a permanently absent spouse who was previously in the assisted household will be counted unless the family has filed for a divorce or legal separation.

"Temporarily absent" is defined as a family member away from the unit for no more than 180 consecutive days.

Income of persons permanently absent, except a spouse who is not legally separated, will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other HUD-defined exceptions to military pay) are counted as income.

It is the responsibility of the head of household to report changes in family composition.

The HCHA will evaluate absences from the unit using this policy.

5.5.1 Absence of Any Member

A member of the household is considered permanently absent if he/she is away from the unit for six consecutive months or more in a twelve-month period, except as otherwise provided in this chapter. A sole member is considered permanently absent if absent from the unit for 30 consecutive days. A sole member may be granted an extension of up to 180 consecutive days for medical reasons or a family emergency.

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

5.5.2 Absence Due to Medical Reasons/Confined to Nursing Home

[CFR 982.54(d)(10)]
If a family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the HCHA will require verification from a reliable, qualified source as to the likelihood of his/her return, and the anticipated length of his/her absence.

5.5.3 Sole Family Member

If the verification indicates the sole family member is permanently confined to a nursing home, he/she will be considered permanently absent, and assistance will be terminated. If the verification indicates the sole family member may return in less than 180 consecutive days, or is unsure when the sole family member will return, the family member may be considered temporarily absent.

5.5.4 Remaining Household Member

If a family member is confined to a hospital or nursing home for an indefinite duration, and there is a family member left in the household, the HCHA will calculate the lower family rent by comparing the following methods:

- Exclude the income of the person confined to the nursing home, give the family no deductions for the medical expenses of the confined family member, and review and reduce the family's voucher size, if appropriate.
- Include the income of the person confined to the nursing home and give the family the medical deductions allowable on behalf of the person in the nursing home.

5.5.5 Absence Due to Full-time Student Status

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

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

- With the exception of students at boarding school or residing in school dormitories, students who are out of the home more than 50 percent of the year are considered permanently absent.

5.5.6 Absence due to Incarceration

If a household member is incarcerated for more than 180 consecutive days, he/she will be considered permanently absent.

The HCHA will request documentation necessary to determine if the reason for incarceration is for prohibited activities and will take the appropriate action.

5.5.7Absence of Children Due to Placement in Foster Care

The HCHA will verify with the appropriate agency when a child or children, temporarily absent from the home due to placement in foster care will return. In addition, the HCHA will determine why the children were placed in foster care for purposes of determining if a family member had engaged in violent or drug-related criminal activities that may be cause for denial or termination of assistance.

If the time period in foster care is to be greater than six months from the date of removal of the children, or the children have been removed permanently, the voucher size will be reviewed and reduced, if appropriate.

5.5.8 Absence of Entire Family

In cases where the family has moved out of the unit, the HCHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required to notify the HCHA before they move, or are absent more than 30 consecutive days, from a unit.

If the entire family is absent from the assisted unit for more than 30 consecutive days, the unit will be considered vacated, and the assistance will be terminated. However, the HCHA may grant an extension for absences of up to 180 consecutive days for a family emergency or medical reason.

HUD regulations require the HCHA terminate assistance when the entire family is absent from the unit for a period of more than 180 consecutive calendar days.

“Absence” means that no family member is residing in the unit. In order to determine if the family is absent from the unit, the HCHA may:

1. Send letters to the family to the unit address.
2. Telephone the family at the unit.
3. Verify if utilities are in service.
4. Check with the post office.

5. Visit the unit.
6. Schedule an appointment with the family.
7. Contact the neighbors.
8. Contact the manager.

5.5.9 Absence of Parents and Assignment of Caretaker for Children

When the courts or a social service agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, in instances when the parents have vacated, the HCHA will treat that adult as a visitor for the first 180 days. During the time the caretaker is considered a visitor, the caretaker's income will not be counted or deductions allowed.

After 180 days, if the court awards custody or legal guardianship to the caretaker, the voucher will be transferred to the caretaker, provided the caretaker meets all eligibility criteria for household additions.

If there is court action to award custody or legal guardianship is in process, the caretaker will be approved to continue in the unit as a visitor beyond 180 days.

The HCHA will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than twelve months, and it is reasonable to expect custody to be granted.

If custody is awarded for a limited time, the HCHA will state in writing that the transfer of the voucher is for a limited time and so long as the caretaker has the custody of the children.

When a caretaker is approved by the HCHA and no longer considered a visitor, the income of the caretaker will be counted, and deductions will be allowed.

Section 5.6.0 Court-Ordered Temporary Absence

When a court order restricts someone who has been considered a family member from living in the home, the HCHA must determine whether the member is temporarily or permanently absent. This policy applies to circumstances such as temporary restraining orders, but not jail or prison incarceration, which are covered separately. If the court order permanently restricts the return of the absent family member for more than 180 days, that family member will be considered permanently absent.

There must also be a review for prohibited activities, such as domestic violence, that may disqualify the family or the absent family member from program participation.

Section 5.7.0 Joint Custody of Children

Children, who are subject to a joint custody agreement, but who live with the applicant/participant at least 51 percent of the time, will be considered members of the household. The definition of "51 percent of the time" is 183 cumulative days of the year. In cases where separated parents are trying to claim the child as a member of the household, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

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

Chapter 6 Initial Approval and Briefing

[24 CFR 982.30 1, 982.302]

Section 6.1.0 Introduction

The HCHA provides families selected to participate all the tools necessary to locate an acceptable housing unit. The HCHA provides families the necessary information regarding the program and how they can achieve maximum program benefits, while complying with program requirements. When eligibility has been determined, the HCHA conducts a mandatory briefing designed to ensure that families know how the program works. The briefing provides a broad description of owner and family responsibilities, the HCHA procedures, and the steps the families must take to lease a unit. In addition, families receive briefing packets, which provide 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 changes in family composition.

6.1.1 Initial Eligibility Approval

All preferences claimed on the application, or while the family is on the waiting list, will be verified as follows:

After the family is selected from the waiting list:

The families' preference should exist at the time the preference is claimed, and must exist at the time of selection from the waiting list, because the claim of a preference determines the families' placement on the waiting list. The families' preference will be determined at the time the full application is completed, but the family must meet the preference at the date of selection from the waiting list.

After a family is selected from the waiting list, the applicants will be required to:

Complete a full application in his or her own handwriting, unless a disabled person requests assistance, as reasonable accommodation. The HCHA staff may interview the applicant to clarify and review the information on the full application. The full application will be mailed to the applicant. The applicant must complete the full application and provide all requested documentation and information.

6.1.2 Requirement to Attend Interview

The HCHA may require a full application interview attended by all adult family members. The purpose of the interview is to discuss the family's circumstances in greater detail, to clarify information that has been provided by the family, and to ensure that the information is true and complete.

All adult family members must sign all appropriate areas of the housing application.

It is the applicant's responsibility to reschedule an interview if he/she misses the appointment. If the applicant does not reschedule or misses two scheduled meetings, the HCHA may reject the application. The interview may be held in the office, by telephone, or at the applicant's home, as a reasonable accommodation to a person with disabilities.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than seven days after the original appointment date. The request must be made to the staff person who scheduled the appointment. The request may be in writing or by telephone if the staff person answers the telephone. A recorded telephone message is not a valid request.

Reasonable accommodation, such as accessible offices, inclusion of an advocate, or a home visit, will be provided to a disabled family upon request. A disabled family's designee will be allowed to participate in the interview process at the family's request.

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

All adult members must sign the HUD Form 9886, Release of Information, the application form, all HCHA-required supplemental documents, the declarations and consents related to citizenship/immigration status, a consent form to release criminal conviction records and to allow HCHA to receive and use records in accordance with HUD regulations, as well as any other documents required by the HCHA. Applicants may be required to sign additional release of information forms for information not covered by the HUD Form 9886.

Applicants may not amend these documents or write notes of disclaimers on them. A family who alters any HCHA documents invalidates the documents, and the family's application will be denied.

Failure to complete required forms, or provide requested information, will be cause for denial of an application for failure to provide necessary certifications, releases, and documents, as required by HUD or the HCHA.

The HCHA will request additional documents or information in writing, if it determines at or after the interview, that they are needed. If requested information is not supplied by the due date, the HCHA will provide the family a notification of denial for assistance.

6.1.3 Verification

[24 CFR 982.201(e)]
Applicant information is verified using the verification procedures outlined in this plan. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, eligible citizenship, criminal history, and other pertinent information will be verified. Verifications may not be older than 60 days old at the time of issuance of the voucher.

6.1.4 Prior to the Briefing

Families 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 denied due to a determination of legal residency.

If the HCHA denies an applicant a preference [24 CFR 982.207] or for not meeting income targeting, it will notify the applicant in writing, indicating the reason, and advising him/her of the opportunity to request a informal review with a departmental representative. If the preference or income targeting denial is upheld, as a result of the review, or the applicant does not request a review, the applicant will be returned to the waiting list without benefit of the preference or income category. Applicants may exercise other rights if they believe they have been discriminated against.

Applicants who falsify documents, or make false statements in order to qualify for any preference or income requirements, will be removed from the waiting list.

6.1.5 Multiple Families in the Same Household

Applicants consisting of two families living together who apply together, (such as a mother and father with a daughter and her husband and/or children) will be treated as a family unit and are eligible for one voucher.

6.1.6 Determination of Eligibility

After the verification process is completed, the HCHA will make a final determination of eligibility [24 CFR 982.201]. This decision is based on information provided by the family, third party documents, HCHA research, and the current eligibility criteria in effect. If the family is determined to be eligible, the HCHA will mail a notification of a scheduled briefing. The purpose of the briefing is to issue the voucher and orient the family to the program.

6.1.7 Split Households Prior To Voucher Issuance

When an applicant family divides into two otherwise eligible families, and cannot agree as to which new family unit should be processed for eligibility, and there is no determination by a court, the HCHA, to determine which family will be processed for assistance, will consider the following factors, in ranking order of importance, with one (1) being the greatest importance, and five (5) the least important:

1. Whether domestic violence was involved in the breakup.
2. Which of the two new family units has custody of dependent children.
3. The composition of the new family units, and which unit contains elderly or disabled members.
4. Recommendations of social service professionals.
5. Which household member's name was on the waiting list.

Documentation of these factors is the responsibility of the applicant families. The HCHA will make a determination based on the documentation supplied. Any false or misleading documentation, or failure to provide requested information, is cause for denial.

The household found not eligible to be processed for assistance will be mailed a notice explaining the reason and the right to request an informal review within 14 days.

Section 6.2.0 the Briefing

[24 CFR 982.301, 982.302]

Section 6.3.0 Initial Applicant Briefing

A full briefing will be conducted for applicant families determined to be eligible for assistance. The briefings will be conducted in-group meetings. If the family includes a person with disabilities, the HCHA will make every reasonable effort to accommodate that person to ensure effective communication. A family needing language services, must provide a written request at least seven days in advance of the scheduled briefing.

The purpose of the briefing is to explain how the program works, and to explain the briefing documents to families so that they are fully informed about the program. In addition, information regarding desirable areas of the community, how the family may file a discrimination complaint and some important legal resources will be provided. The briefing will enable families to utilize the program to their advantage, and it will prepare them to discuss the program with potential landlords and property managers. The HCHA will not issue a voucher to a family, unless the household representative has attended a briefing and signed the voucher.

6.3.1 Requirement to Attend Briefing

The head of household and spouse or co-head are required to attend a briefing after initial approval of eligibility. At the briefing, the head of household and spouse or co-head must sign the voucher and other required paperwork.

It is the applicant's responsibility to reschedule the briefing if he/she is unable to attend. If the applicant does not reschedule or misses two scheduled briefings, the HCHA may deny admission. The briefing may be held in the office, by telephone, or at the applicant's home, upon request by a disabled family, as a reasonable accommodation. Also, reasonable accommodation may include accessible offices, inclusion of an advocate, or a home visit. The disabled family's designee will be allowed to participate in the briefing at the family's request.

Applicants who fail to attend the briefing and want to reschedule the briefing must make the request to reschedule no later than seven days after the original briefing date. The request must be made to the staff person who scheduled the briefing. The request may be in writing or by telephone if the staff person answers the telephone. A recorded telephone message is not a valid request. Applicants will be offered no more than two opportunities to attend a briefing unless a request is made for reasonable accommodation or documentation of a serious emergency was submitted.

If an application is denied due to a failure to attend the briefing, the applicant will be notified in writing and offered an opportunity to request an informal review.

6.3.2 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 HCHA may include other information and/or materials not required by HUD.

The following information and materials are provided to the family at the briefing:

- The HCHA's policy for requesting extensions or suspensions of the voucher (referred to as tolling), and the term of the voucher.
- A description of the method used to calculate the housing assistance payment for a family; how the family tenant payment is calculated, and information on the payment standard and utility allowance schedule. Also included is information on how the maximum allowable rent for an assisted unit is determined, and the rent reasonableness standard.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the HCHA jurisdiction under portability procedures, information on how portability works.
- The HUD required tenancy addendum, to be included in the lease.
- The Request for Tenancy Approval (RFTA) form and a description of the procedure for requesting approval of a unit.
- A statement of the HCHA policy regarding providing information about families to prospective owners.
- The subsidy standards, including when and how exceptions are made, and how the voucher size relates to the unit size selected.
- The HUD brochure entitled, *"A Good Place to Live."*
- The HUD brochure on lead-based paint entitled, *"Protect Your Family from Lead in your Home."*
- Information regarding federal, state, and local equal opportunity laws, and a copy of the housing discrimination complaint form. In addition, the pamphlet *"Fair Housing: It's Your Right,"* other information regarding fair housing laws and guidelines, and the phone numbers of the local fair housing agency and the HUD enforcement office.

- Information regarding the availability of lists of landlords or other parties willing to lease to assisted families and agencies that help in the search for units. The list may include, if available, those willing to lease units, or agencies able to help families find units outside areas of poverty or minority concentration.
- If available, a current listing of accessible units.
- The family obligations under the program.
- The reasons a family may have its assistance terminated.
- The informal hearing/review procedures, including when the family must be offered the opportunity for an informal hearing/review.
- An information packet, including an explanation of how portability works, and a list of the names, addresses, and contact names of neighboring housing agencies.
- A map or description of areas representing various income levels of the jurisdiction and surrounding areas for the purpose of expanding housing opportunities for families.
- Information regarding the HCHA's outreach program for families who are interested in, or experiencing difficulty in, obtaining housing in areas outside of minority concentrated locations.
- A copy of HUD Form 903 to enable a family to file a discrimination complaint.
- A list of properties or property management organizations that own or operate housing units outside areas of poverty or minority concentration.
- Sample leases for owners who do not use a lease for their unassisted tenants.
- Family Handbook.
- The family's rights as a tenant and a program participant.
- Requirements for reporting changes between annual recertifications.

6.3.3 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 HCHA will provide assistance to families who wish to do so. The assistance provided to such families includes:

- Direct contact with landlords.
- Family counseling.
- Providing information regarding services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding housing assistance programs.
- Formal or informal discussions with landlord groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.

Section 6.4.0 After The Briefing And Before Lease-Up Change In Total Tenant Payment (TTP) Prior To HAP Effective Date

6.4.1 Income Decrease

When the family properly reports changes in factors that will reduce the total family share of the rent prior to the effective date of the HAP contract at admission, the information will be verified, and the reduction in family share will be recalculated. Prior to submission of the RTA, the intake unit will recalculate the reduction in family share. After submission of the RTA, case management will recalculate the reduction in family share.

6.4.2 Income Increase

If the family's income increases after it was issued a voucher, the income increase, per the HCHA interim policy, will generally not be processed until the family's next annual reexamination after the family leases an assisted unit.

6.4.3 Additions to Family

Additions to the household will not be permitted until the family has been assisted for at least 12 months and then in accordance with the HCHA's interim policy, unless the additions are due to birth, adoption, court awarded custody, or return of minor or disabled children to the household.

6.4.4 Family Reporting Requirements

Families must report changes in income, assets, and family composition within 10 days in writing and in person, using the appropriate form. Families discovered to have provided false, misleading, incomplete or untrue information in order to be found eligible for assistance, will have their vouchers rescinded and will not be eligible for return to the waiting list at original date/time of application. These families will be offered an informal review.

Chapter 7 Request for Tenancy Approval, Owner Approval, Leases, and Contracts

[24 CFR 982.302, 982.54, 982.453, 982.306]

Section 7.1.0 Introduction

[24 CFR 982.305(a)]

The HCHA's program is designed to utilize available resources efficiently and maximize HUD funds by quickly providing assistance to as many eligible families as the budget allows.

The program allows families issued vouchers to search for eligible rental units within the jurisdiction of the HCHA, as well as outside the HCHA's jurisdiction, if they qualify for portability. The family must find an eligible unit, with an owner/landlord willing to enter into a housing assistance payment (HAP) contract with the HCHA. This chapter defines eligible housing and the HCHA policies on initial inspections, lease requirements, the HAP Contract, owner disapproval, and the processing of Requests for Tenancy Approval (RTA).

The HCHA is committed to maintaining a neutral position in issues between owners and program participants, and its policy is to strive to recruit new owners to the program, as well as maintain a good relationship with participating owners. The HCHA requires staff to provide owners with prompt and professional service in an effort to maintain an adequate supply of available housing within its jurisdiction. The regulations define when the HCHA must disallow owner participation in the program, as well as the circumstances when the HCHA may use its discretion to disapprove or otherwise restrict owner participation.

7.1.1 Request for Tenancy Approval

[24 CFR 982.302, 982.305(b)]
During the term of the voucher, the family must submit the RTA and a copy of the proposed lease, including the HUD prescribed tenancy addendum. If the owner's lease is not submitted, the HCHA may use the HUD model lease. The family must submit the RTA in the form and manner required by the HCHA.

Both the owner and the voucher holder must both sign the RTA.

If families are approved to lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address.

Owners must provide an employer identification number or Social Security number, as well as a validation document supporting the number. Ownership will be verified through assessor's office records or a review of the grant deed. The HCHA will request a copy of the management agreement for owners being represented by a management company. The HCHA may request documentation of ownership, such as a grant, deed, copy of the current tax bill, or other documentation.

The HCHA will permit the family to submit more than one RTA at a time.

The HCHA will review a proposed lease and RTA documents to determine if they are approvable. The RTA will be approved if:

- The unit is an eligible type of housing.
- The unit meets HUD's Housing Quality Standards (HQS) and any additional criteria identified in this plan.
- The rent is reasonable.
- The proposed lease complies with HUD requirements.
- The owner is approvable, and there is no owner conflict of interest.
- The owner has not been debarred by HUD or the HCHA.
- There are no shared utilities with the exception of some special housing types, "flat rate" apartment complexes, and mobile home parks.
- The family is not leasing a property owned by a parent, child, grandparent, grandchild, sister, or brother of any family member. (The HCHA will waive this restriction as a reasonable accommodation for a family member with disabilities who provides documentation demonstrating a clear and compelling need for accommodation).
- The owner's address is not the same as the assisted unit, except for some special housing types and Section 8 Homeownership.

In addition to the above, at the time a family initially receives assistance in the unit (new admissions and moves), if the gross rent exceeds the payment standard, the family share of rent may not exceed 40 percent of the family's monthly adjusted income. Exempt income is included in the 40 percent calculation to enable families with a large amount of exempt income, such as families with foster children, to qualify for adequately sized housing.

7.1.2 Unit Size Selected

[24 CFR 982.402(c)]
The family may select a different size dwelling unit than that listed on the voucher. There are three criteria to consider:

> ***Subsidy Limitation****:* The payment standard for a family shall be the <u>lower of</u> the HCHA payment standard amount for the family voucher size; or
> The HCHA payment standard amount for the unit size rented by the family; or
> The contract rent and utilities (gross rent).
>
> ***Utility Allowance****:* The utility allowance used to calculate the gross rent is based on the <u>actual size</u> of the unit the family selects, regardless of the size authorized on the family's voucher.

Housing Quality Standards: The standards allow a maximum occupancy of two persons per sleeping area as shown in the table below. A sleeping area would include: living room, bedroom, den, dining room, library, or other rooms that may be used for sleeping.

A sleeping room will be considered a bedroom only for payment standard and utility allowance purposes if it was designed to be used as a bedroom or to be converted to a bedroom, is private with a door that closes, a closet, and has a window that opens to the outside for light and ventilation. A room will not be considered a bedroom for payment standard or utility allowance purposes if the room is designed for another purpose, used as a corridor to access another room, or if it has something installed that indicates it has another use, such as a water heater, washer/dryer hookups, gas line for a stove, etc., or if it is not accessible from inside the main dwelling unit, such as in an outbuilding, or if the sleeping room is only accessible through the garage or back yard.

0 Bedroom - 1
1 Bedroom - 2
2 Bedrooms - 4
3 Bedrooms - 8
4 Bedrooms - 8
5 Bedrooms - 10
6 Bedrooms - 12

*These guidelines are for an average unit. If there is a den, library, dining room, or other room that may be used for sleeping, in addition to the living room, these standards may be increased. For example, a two-bedroom house, with a living room and a den, may have room for up to eight persons without violating HQS space requirements.

7.1.3 Rent Limitations

[24 CFR 982.507]
The HCHA will make a determination as to the reasonableness of the proposed rent in relation to comparable modest, non luxury unassisted units available for lease. Rent reasonableness for standard dwelling units will be determined upon approval of a new lease, prior to an owner rent increase, and if the annual fair market rents are reduced by five percent or more 60 days prior to the HAP contract anniversary. Rent reasonableness determinations must be conducted on rents for mobile home pads annually. All active participant files must contain a copy of the most current rent reasonableness determination. An owner will be given a 30-day notice of contract termination, if it is found the unit is no longer rent reasonable. However, the owner will be given an option of reducing the rent prior to contract termination.

By accepting a monthly housing assistance payment from the HCHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units on the premises. Units in a tax credit or other types of rent-restricted properties are considered assisted units and are not subject to this requirement. The owner may be required to provide the HCHA with information on rents charged elsewhere, such as rent rolls.

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by the HCHA. If a unit is determined, during the contract term, to exceed the reasonable rent, the owner and participant will be notified of the reasonable rent amount and the effective date of the rent reduction. The owner may refuse to accept the rent reduction, in which case, the HCHA will terminate the HAP Contract.

7.1.4 Disapproval of Proposed Rent

[24 CFR 982.502]
At the family's request regarding an RTA, the HCHA will negotiate with the owner to reduce the rent or pay for more of the utilities in the following instances:

- The rent is not reasonable.
- The rent is not affordable because the family's share of rent and utilities would be more than 40 percent of the family's monthly adjusted income.

If the rent is approved after negotiations with the owner, the HCHA will notate, date, and initial the RTA and continue processing. If the revised rent involves a change in the provision of utilities, the HCHA will notate, date and initial the changes on the submitted RTA.

If the owner does not agree to the rent reduction after the HCHA has attempted to negotiate a revised rent, the family and owner will be notified in writing that the lease is disapproved, and the family will be issued another RTA.

7.1.5 Eligible Types of Housing

[24 CFR 982.601]
The HCHA will approve the following types of housing provided they meet all program requirements:

- All eligible structure types.
- Manufactured homes where the tenant leases the mobile home and the pad.
- Manufactured homes where the tenant owns the mobile home and leases the pad.
- Congregate facilities (only the shelter rent is assisted).
- Single room occupancy (SRO).
- Shared housing that meets requirements.
- Group homes that meet requirements.

Travel trailers, motor homes, or other structures designed to be mobile or temporary <u>are not</u> eligible for Section 8 rental assistance. A unit that is registered with the Department of Motor Vehicles may not be an eligible housing type. An eligible housing type must be a "dwelling unit" that is designed and used exclusively for permanent residential occupancy.

A mobile home that is designed to be set up permanently in one location is eligible for Section 8 rental assistance.

A family may own a rental unit but may not reside in it while being assisted, except in the cases of the family owning a mobile home and leasing the pad, a Section 8 Homeownership participant, or the owner of a cooperative. The owner of the assisted unit, except in the case of a mobile home owner leasing the pad, a Section 8 Homeownership participant, or the owner of a cooperative, may never benefit from the assistance. The owner of the assisted unit may never be a live-in aide for the family leasing the unit. In shared housing, the family may never, in any circumstances, reside with a resident owner who is a relative, and there are no exceptions for reasonable accommodation in this instance, without HUD approval.

The HCHA may not permit a voucher holder to lease a unit that is receiving project-based Section 8 assistance or any other duplicative rental subsidies.

7.1.6 Security Deposit Requirements

[24 CFR 982.313]
The owner is not required, but is encouraged, to collect a full security deposit from the tenant.

Security deposits charged by owners may not exceed those charged to unassisted tenants, nor more than the lesser of legal limitations or the maximum amount indicated on the HAP Contract.

7.1.7 Tenant Screening For Suitability

[24 CFR 982.307]
The HCHA will take into consideration any of the criteria for admission described in the chapter on eligibility factors.

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

The owner is responsible for screening and selection of the family he/she approves for tenancy. At or before HCHA approval of the tenancy, the HCHA will inform the owner that screening and selection for tenancy is the responsibility of the owner.

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

[24 CFR 982.307(a)(3)]

- Payment of rent and utility bills.
- Caring for a unit and premises.
- Respecting the rights of other residents to the peaceful enjoyment of their housing.
- Drug-related criminal activity, or other criminal activity that is a threat to the health, safety or property of others.
- Compliance with other essential conditions of tenancy.

Section 7.2.0 Information to Owners

[24 CFR 982.307(b), 982.54(d)(7)]
In accordance with HUD requirements, the HCHA will furnish prospective owners, upon written or verbal permission from the family, the family's current address as shown in its records and, if known to the HCHA, the name and address of the landlords for the family's current and prior addresses.

The HCHA will provide documented information in the participant file regarding tenancy history for the past five years, if available, upon written permission of the family. Only the supervisors may provide this information. The HCHA will provide the following information, based on documentation in its possession:

- Eviction history.
- Documented damage to rental units.
- Other documentation of tenancy history, such as warning notices or three-day notices.

The HCHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of the HCHA's policy regarding release of information to prospective landlords is applied uniformly to all families, and will be included in the family's briefing packet.

An owner may request the HCHA obtain and review criminal or sex offender registration records for grounds to deny a tenant application, or evict a tenant. The HCHA will charge the owner a fee based on the costs incurred by the HCHA, including the costs charged by the law enforcement agency, the HCHA staff time and administrative costs. The owner may not charge the tenant for this fee.

The HCHA must not release any criminal information or sex offender information to the owner, but a housing supervisor will review the information, and, if no information relevant to application or eviction is found, will notify the owner. If information relevant to the application or eviction is found, the housing supervisor will present his/her findings in writing to the director who will authorize the findings and sign the letter issued to the owner. The letter will not specify the criminal or sex offender history, but will merely state that there may be cause for denial or eviction of the tenant. If the owner sends documentation of needing specific information for an eviction, the director must approve the release of any information in accordance with the regulations. [24 CFR 5.903, 24 CFR 5.905]

The HCHA must NEVER release specific personal information to owners regarding their former Section 8 tenants.

Section 7.3.0 Owner Disapproval

[24 CFR 982.306, 982.54(d)(8)]
An owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

The HCHA will disapprove an owner for the following reasons:

HUD, or another agency, has notified the HCHA, in writing, that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24.

The HCHA has debarred the owner by providing a notice to the owner, signed by the director, notifying the owner that the owner is debarred from program participation, the debarment period, and the reasons for debarment, which may include abusive or threatening verbal or physical behavior towards HCHA personnel or program participants, or serious or repeated HAP contract violations.

HUD has notified the HCHA in writing that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or another federal equal opportunity requirement, and such action is pending.

HUD has notified the HCHA in writing that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.

Unless the lease was effective prior to June 17, 1998, an owner may not be a parent, child, grandparent, grandchild, sister, or brother of any family member. The HCHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability who provides documentation of a clear and compelling need for the accommodation.

In cases where the owner and tenant bear the same last name, the HCHA may, at its discretion, require the family and/or owner to certify whether they are related to each other in any way.

The HCHA will <u>never</u> issue a payment to the owner at the participant's address with the exception of some special housing types.

In cases where the payment is mailed to a post office box, and there is a question regarding the relationship between the owner and the tenant, the HCHA may submit a post office request to confirm the owner's physical address.

7.3.1 Owner Restrictions and Penalties

[24 CFR 982.435]
If an owner has committed fraud or abuse, is guilty of frequent or serious contract violations, or has engaged in abusive or threatening physical or verbal behavior against HCFIA personnel or program participants, the HCHA may restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The HCHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, the HCHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance, and the seriousness and number of violations. If debarment and/or penalty are warranted, the owner will be notified in writing, by the director of the reason for debarment/penalty, the debarment period, or the penalty amount.

Refer to chapter on fraud investigations for further information.

Section 7.4.0 Lease Requirements

[24 CFR 982.308]
The HCHA will review the lease for HUD required lease provisions. The tenant must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RTA.

Unless the lease was effective prior to June 17, 1998, the family may not lease properties owned by a parent, child, grandparent, grandchild, sister, or brother of any family member. The HCHA will waive this restriction upon verification of the need for reasonable accommodation for a family member who is a person with a disability.

The family and owner may submit a standard form of lease used in the locality by the owner that is generally used for other unassisted tenants on the premises. If the owner does not use a standard lease for rental to unassisted tenants, the owner may use another form of lease, such as a HCHA model lease. The terms and conditions of the lease must be consistent with state and local law.

The lease must specify:

1. The names of the owner and tenant(s), and
2. The address of the unit rented, and
3. The amount of the monthly rent to owner, and
4. The utilities and appliances to be supplied by the owner, and
5. The utilities and appliances to be supplied by the family.
6. The HUD prescribed tenancy addendum must be included in the lease.

An owner's lease must include the lead warning statement and disclosure information required by 24 CFR 35.92(b).

The provisions required under the Violence Against Women Act (VAWA) for all leases executed within 120 days after HUD's final guidelines and recommended lease language are issued.

The lease must state that drug-related criminal activity engaged in by the tenant, any household member, any guest on or near the premises, or any person under the tenant's control on the premises, is grounds for termination of tenancy.

The lease must state that the family may be evicted if the owner determines:

- Any household member is illegally using a drug.
- A pattern of illegal use of drugs by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The lease must state that the following types of criminal activities by a "covered person" are grounds for termination of tenancy:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises).
- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the residences by people residing in the immediate vicinity of the premises.
- Any violent criminal activity on or near the premises by a tenant, household member, or guest.
- Any violent criminal activity on the premises by any other person under the tenant's control.

The lease must state that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution, custody, or confinement for a felony after conviction for a crime, or attempt to commit a crime.
- Violating a condition of probation or parole imposed under state or federal law.

Section 7.5.0 Actions before Lease Term

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

1. The HCHA has inspected the unit and has determined that the unit satisfies HQS.
2. The HCHA has determined that the rent charged by the owner is reasonable.
3. The landlord and the tenant have executed the lease, including the HUD prescribed tenancy addendum.
4. The HCHA has approved the lease in accordance with program requirements.
5. For the initial lease for the unit, the family share (total family contribution) is not more than 40% of the family's monthly-adjusted income (including exempt income).
6. A determination has been made the family is eligible for a HAP payment.

7.5.1 Separate Agreements

Separate agreements are not necessarily illegal side agreements. However, the HCHA must be informed in advance of all separate agreements and must approve or disapprove of separate agreements. Owners are prohibited from collecting or paying, and tenants are prohibited from paying or receiving, additional rent or other credits not authorized by the HCHA. Owners are prohibited from charging for items normally included in the rent of unassisted units.

Owners and families may execute separate agreements for services, appliances, and other items not included in the lease, as well as special purpose charges, such as recycling fees. Any appliances, services or other items, routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease.

The family must pay a minimum of 30 percent of its monthly adjusted income for rent and utilities and is not allowed to receive rent credits, such as in the case of a move-in special. If there is a temporary rent reduction/credit, the HCHA will compute the reduced contract rent along with the appropriate adjustment in the HAP and notify the owner and family in writing. The family may accept a credit for security deposit.

7.5.2 Contract Execution Process

[24 CFR 982.305(c)]
The HCHA cannot enter into a HAP contract if a family is in zero HAP status. In that case, the HCHA must deny the RTA. However, if the family is eligible for assistance, an RTA may be processed.

The HCHA prepares the HAP contract for execution. The family and the owner will execute the lease agreement, and the owner and the HCHA will execute the HAP Contract. Copies of the documents will be furnished to the parties who signed the respective documents. The HCHA will retain copies of all signed documents. The beginning and ending dates of the lease and the contract MUST match.

The HCHA may change the amount of its assistance or contract rent with a contract amendment. Changes in lease term and utilities require a new contract.

The HCHA makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed (signed and dated) more than 60 days after commencement of the lease term, and no payments will be made until the contract is executed. However, regardless of the execution date of the contract, the beginning and ending dates of the contract must always match the beginning and ending dates of the lease.

HCHA representatives, with the title Housing Analyst II or above, are authorized to execute a contract on behalf of the HCHA.

The HCHA may confirm verbally with the tenant the date the tenant received the keys for the unit. If the tenant fails to receive the keys for the unit as of the beginning date of the contract, the HCHA may abate or collect HAPs from the owner and/or terminate the contract.

The owner or owner's representative must provide a telephone number.

7.5.3 Change in Ownership

A change in ownership does not require execution of a new contract and lease.

The HCHA will process a change of ownership only upon the written request of the new owner, accompanied by a copy of the escrow statement, or other document showing the transfer of title, such as a recorded deed, the employee identification number or social security number of the new owner, and validation documents to verify employee identification or social security number.

The HCHA, upon approval of assignment of the contract to the new owner, will notify the new owner verbally or in writing that the contract assignment was approved, and the new owner assumes the conditions and obligations of the existing contract. The new owner will be mailed a copy of the contract, upon request.

If the new owner does not want an assignment of the contract, the HCHA will terminate the HAP contract with the old owner, since he/she is no longer the owner. The new owner may offer the family a new assisted lease. The family may elect to enter into the new lease or move to another unit. If the family enters into a new lease, the owner must enter into a new HAP contract with the HCHA.

Chapter 8 Housing Quality Standards and Inspections

[24 CFR 982.401]

Section 8.1.0 Introduction

Housing Quality Standards (HQS) are the HUD minimum standards for assisted rental units for tenant-based programs. HQS are required both at initial occupancy and during the term of the lease. HQS apply to the building, premises, and out buildings, as well as the unit. Newly leased units must pass an HQS inspection before the commencement of the housing assistance payment.

The HCHA will inspect each unit under contract at least annually. The HCHA will also have a supervisor or other qualified person perform, throughout the year, a statistically significant SEMAP required random sample of quality control (QC) inspections. The QC inspections will ensure program consistency and that the HCHA's required standards are being met. This chapter describes the HCHA procedures for performing HQS and other types of inspections, as well as the standards for the timeliness of repairs. In addition, this Chapter explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and HCHA requirements.

8.1.1 Inspection Types and Guidelines

[24 CFR 982.401(a), 982.405]
Inspectors must obtain "effective consent" before entering the unit to conduct an inspection. This means the inspector should:

Clearly identify himself/herself and the purpose of the inspection.
Identify who has legal control over the unit and the authority to admit the inspector.

A prospective tenant who has not yet moved into a unit does not have the authority to admit an inspector unless written authorization from the owner is provided to the HCHA. Conversely, an owner/manager cannot admit an inspector if the tenant has moved into a unit unless written authorization from the tenant is provided to the HCHA. A neighbor or babysitter does not have the authority to admit an inspector unless written authorization from the tenant is provided to the HCHA. A minor under the age of 18 never has the authority to admit an inspector.

The HCHA may adopt local requirements of acceptability in addition to those mandated by the HUD regulations, including but not limited to, the HCHA will not approve RTAs in areas where there is visible or documented drug activity.

Efforts may be made to encourage owners to provide housing above HQS minimum standards. In addition, the HCHA will not promote any additional criteria likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

All utilities must be in service when a unit is inspected.

If the tenant is responsible for supplying the stove and/or the refrigerator, the HCHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS. The family must then certify, by telephone, the date the appliances are in the unit and working. The HCHA will not conduct a reinspection. The term of the lease and HAP contract will not begin until the confirmed date of the in-place working stove and/or refrigerator.

There are five types of inspections the HCHA performs:

1. Initial/Move-in: Conducted after receipt of the RTA.
2. Annual: Must be conducted within twelve months of the last annual inspection.
3. Move-out/Vacate: May be conducted, upon request, to observe and document reported excessive tenant damage in order to make a determination of tenant violations of the lease.
4. Special/Complaint: At request of owner, family, an agency, or another third party.
5. Quality Control (QC): This inspection involves a required minimum random sample of previously completed inspections.

8.1.2 Initial HQS Inspection

[24 CFR 982.401(a), 982.305(b)(2)]

Timely Initial HQS Inspection

The HCHA will attempt to make telephone contact within two business days after receiving an RTA. The HCHA will inspect the unit, determine whether the unit satisfies HQS, and notify the family and owner of the determination within ten calendar days after the family and the owner have submitted a RTA. The ten-day inspection and notification requirement does not apply in instances when the unit is not available for inspection, when the owner or tenant could not be reached, or if the owner or tenant were unavailable for scheduled inspection(s).

The HCHA will make every reasonable effort to conduct timely initial HQS inspections for the family.

The initial inspection will:

Determine if the unit and property meet HQS as defined in this plan.
Document the information to be used for determination of rent reasonableness.

If the unit fails the initial HQS inspection, the owner and/or the tenant will be advised to notify the HCHA when deficiencies are corrected.

After an initial inspection, the owner will be given a reasonable amount of time to correct the items noted as failed, depending upon the amount of failed items, the complexity of the work to be done, and weather conditions that may delay the work.

The owner will be allowed up to two reinspections for repair work to be completed.

If the time period given by an inspector to correct repairs has elapsed, or the maximum number of failed reinspections has occurred, the family must select another unit. The HCHA will issue written notification to the family and the owner of the RTA denial, and will send a RTA packet to the family.

8.1.3 Annual HQS Inspections

[24 CFR 982.405(a)]
The HCHA conducts an inspection in accordance with HQS at least annually, as required by SEMAP, mid no more than 120 days prior to the current annual recertification. Special inspections may be scheduled, upon request, between anniversary dates.

The landlord must correct HQS deficiencies that cause a unit to fail, unless the failed items are the tenant's responsibility.

The family must allow the HCHA to inspect the unit at reasonable times with reasonable advance notice. [24 CFR 982.55 1 (d)] The HCHA considers a reasonable advance notice to be five or more days.

Inspections and reinspections will be conducted on business days only, or on weekends as a reasonable accommodation for the disabled.

The HCHA will notify a family, in writing or by telephone, at least five days prior to an inspection. The HCHA five-day advance notification requirement is not necessary if the family agrees to an inspection with less than five days notice; however, the family will not be penalized for not being available.

If the family does not contact the HCHA to reschedule a scheduled inspection, or if the family misses two inspection appointments, the HCHA will consider the family to have violated a family obligation, and the family's assistance may be terminated in accordance with the termination procedures in this plan.

8.1.4 Time Standards for Repairs

Emergency items that endanger a family's health or safety must be corrected by the owner or family within 24 hours of notification.

Repairs regarding non-emergency items must be made within 30 days.

The housing specialist may approve an extension beyond 30 days for major repairs or repairs delayed due to weather conditions or other extenuating factors.

8.1.5 Rent Increases or Extensions on 30-Day Move-Out Notices

Contract rent increases or extensions on 30-day move-out notices will not be approved if the unit is in a failed condition.

8.1.6 HQS Breach

An inspector will determine if an HQS breach, as identified in 24 CFR 982.404 (b), is the responsibility of the family. Families may be given extensions to cure HQS breaches. However, the family will be issued a notice of termination of assistance if the HQS breach is not corrected by the initial deadline.

8.1.7 Move Out/Vacate Inspection

A move out inspection may be performed, upon landlord request, to observe and document possible tenant lease violations.

8.1.8 Special/Complaint Inspection

[24 CFR 982.405(c)]
The HCHA will conduct a complaint inspection when it receives landlord or tenant notice that the unit does not meet HQS.

The HCHA may conduct a special inspection based upon information from third parties, such as neighbors or public officials.

The HCHA will inspect only the items that were reported, but if the inspector notices additional deficiencies that would cause a unit to fail HQS, the responsible party will be required to make the necessary repairs.

8.1.9 Quality Control Inspection

[24 CFR 982.405(b)]
Housing supervisors or other qualified personnel will conduct the SEMAP required minimum number of quality control (QC) inspections. The purpose of QC inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure consistency among inspectors in the application of HQS.

The sampling of files will include recently completed inspections (within the prior three months) reflecting a representative sample of neighborhoods, types of inspections (initial, transfer and annual), and inspectors.

8.1.10 Additional HCHA HQS Criteria

[24 CFR 982.40 1(a)]
The HCHA adheres to HUD HQS, as well as the following local standards, including but not limited to:

Local Standards

[24 CFR 982.401(a)(4)]
No interior door double cylinder deadbolt locks or interior door locks that unlock only from the outside of the room are permitted. An exception may be made as a reasonable accommodation.

No double cylinder deadbolt locks are allowed on an exterior door unless the unit has another exterior door without said lock. An exception may be made as a reasonable accommodation.

If bedrooms have security bars, at least one window in each bedroom must have no security bars or security bars with a quick release device usable and accessible to a small child. No exceptions will be made.

The heat source must be adequate for the unit, permanently affixed, and safe. A fireplace alone is not an acceptable heat source. Acceptable sources of heat include gas or electric wall heaters, forced air heating systems, electric heat pump, etc.

8.1.11 Emergency Repair Items

[24 CFR 982.404(a)]
The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by an inspector:

- Waterlogged ceiling in imminent danger of falling.
- Major plumbing leaks or flooding.
- Strong smelling natural gas leak or fumes.
- Electrical problem likely to cause shock or fire.
- Jagged, broken glass where someone could be injured.
- Other immediate observable danger to the health and safety of the family.

The HCHA may give a short extension of not more than 24 additional hours, whenever the responsible party cannot be notified, or it is impossible to complete a repair within the 24-hour period.

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified, or it is impossible to make the repair, the proper authorities will be notified by the HCHA. The HCHA will take the necessary steps to advise and assist the family on relocation, unless the hazards were caused by the family.

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

If the emergency repair item(s) are not corrected in the time period required by the HCHA, and it is an HQS breach that is a family obligation, the HCHA will issue a 30-day termination of assistance notice to the family.

8.1.12 Non-Emergency Repair Items

All repair items not described above are considered non-emergency, 30-day repair items.

8.1.13 Smoke Detectors

Inoperable smoke detectors will be treated by the HCHA as 30-day fail items. The owner must install working batteries in smoke detectors upon initial lease. After that, the family must replace the batteries, when the need arises.

If the HCHA determines that a family has purposely disconnected a smoke detector (by removing batteries or other means), the family will be required to repair the smoke detector within 30-days.

The HCHA will issue a verbal warning to any family determined to have purposely disconnected a unit smoke detector. The warning will state that deliberate disconnection of the unit smoke detector is considered a violation of the HQS. The family's assistance may be terminated for multiple violations of this requirement.

8.1.14 Determination of Responsibility

[24 CFR 982.404. 982.54(d)(22)]
The following HQS deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service.
- Failure to provide or maintain family-supplied appliances.
- Failure to allow the owner access to the premises to make repairs after reasonable notice was given.
- Damage to the unit or premises beyond normal wear and tear caused by a household member or guest. "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 HCHA will attempt to make a determination of family or owner responsibility. The owner or tenant may appeal the HCHA determination, by telephone or in writing, and must provide documentation from an industry expert, such as a plumber or electrician, to substantiate the appeal.

The owner is responsible for vermin infestation, even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation, and the owner may evict the family for serious or repeated violations of the lease. The HCHA may terminate the family's assistance on that basis.

If the family is responsible, but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs, and the family's file will be notated regarding the family violations.

8.1.15 Consequences If Owner Is Responsible

CFR 982.405, 982.453
When it has been determined that a unit on the program fails to meet HQS for items that are the owner's responsibility, the owner must complete the necessary repair(s) in the time period specified by the HCHA. If the necessary repairs are not made within the required time period, the assistance payment to the owner will be abated on the first day of the following month.

8.1.16 Abatement

A notice of abatement will be sent to the owner, and the abatement will be effective the first day of the month following the deadline for correction.

The HCHA will inspect abated units within five days of the owner's notification that 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.

8.1.17 Extension In Lieu Of Abatement

The HCHA may grant an extension in lieu of abatement in the following cases:

- The owner has a good history of HQS compliance.
- The failed items are minor in nature.
- There is an unavoidable delay in completing repairs due to difficulties in obtaining parts, or contracting for services.
- The owner makes a good faith effort to make the repairs.
- The repairs are delayed due to climate conditions.

The extension will be made for a period of time not to exceed 120 additional days. At the end of that time, at the HCHA's discretion, if the work is not completed, or substantially completed, the HCHA will terminate assistance.

8.1.18 Termination of Contract

If the owner is responsible for repairs, and fails to correct all the deficiencies cited, prior to the end of the abatement period, the owner will be sent a contract termination notice. Prior to the effective date of the termination, the abatement will remain in effect.

If repairs are completed before the effective termination date, the HCHA may rescind the termination if the tenant chooses to remain in the unit. Only one HQS inspection will be conducted after the termination notice is issued.

8.1.19 Consequences If Family Is Responsible

[24 CFR 982.404(b)]
If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, the HCHA will require the family to make any repair(s) or correction(s) within 30 days. The owner's rent will not be abated for items found to be the family's responsibility.

If the repair(s) or correction(s) are not made by the deadline, the HCHA will issue a notice to terminate assistance to the family, along with an opportunity to request an informal hearing and an owner notice to terminate the HAP contract on the same date. If the family requests an informal hearing, the housing assistance payments must continue until a decision is rendered. In addition, the owner must be notified that the housing assistance payments will continue until a hearing decision is rendered.

Chapter 9
Owner Payments, Rent Limits, and Rent Reasonableness

[24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

9.1.0 Introduction

This chapter discusses the HCHA processes and procedures for Housing Choice Voucher rent reasonableness determinations, payment to owners, and rent adjustments. It is the HCHA's responsibility to ensure that the rents charged by owners are reasonable based upon modest, non-luxury unassisted comparables in the area, as specified by 24 CFR 982.507(b).

9.1.1 Rent Limitations

The rent to owner is limited by rent reasonableness (24 CFR 982.508).

The HCHA must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

A unit cannot be approved if the family will be in zero HAP status.

At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family's rent share may not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.508]. The HCHA has determined the 40 percent affordability calculation will take into consideration exempt income to better allow families greater housing choice.

During the initial term of the lease, the owner may not raise the rent to the family. After the initial lease term, the owner may request a rent adjustment with a sixty-day written notice to the family and the HCHA [24 CFR 982.308(g)]. A rent adjustment is subject to the approval of the HCHA for rent reasonableness.

An owner who collects a rent increase from the family without HCHA permission is in breach of the contract and subject to collection of HAPs paid during the period of time the owner was collecting the increased rent.

9.1.2 Rent Reasonableness Determinations

[24 CFR 982.507]
The HCHA will determine and document, on a case-by-case basis, that the approved rent is reasonable in comparison to rent for other modest comparable unassisted units in the market. This applies to all programs.

The HCHA will not approve a lease until reasonable initial rent has been determined. The HCHA must determine the reasonable rent before any increase in the rent to the owner, and if there is a five percent decrease in the published fair market rent (FMR) in effect 60 days before the contract anniversary (for the unit size rented by the family), as compared with the FMR in effect one year before the contract anniversary. However, rent reasonableness determinations must be conducted annually for mobile home space rents. All HCHA active participant files will contain documentation of the last applicable reasonable rent determination.

The HCHA must redetermine rent reasonableness, if directed by HUD or based on a need identified by the HCHA's auditing system. The HCHA may elect to redetermine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the HCHA.

An owner will be advised that upon acceptance of each monthly payment, he/she is certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the area.

If requested, the owner must give the HCHA information on rents charged by the owner for other units on the premises or elsewhere. Units of a density bonus or tax credit property are not considered comparable because they are considered assisted. The HCHA may request additional information, such as owner rent rolls, if it appears the owner has a tendency to charge higher rents to program participants, or if needed for rent reasonableness comparables.

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

The market areas for rent reasonableness determinations are the nearby neighborhoods or communities of the subject unit. Subject units within a defined housing market area will be compared to similar units within the same area.

Generally, bedroom size and location of units are the most important rent reasonableness criteria.

The following items may be used by the HCHA for rent reasonableness documentation:

- Size (number of bedrooms/square footage).
- Location.
- Quality.
- Unit age.
- Unit type.
- Utilities provided by the owner.

9.1.3 Rent Reasonableness Methodology

The HCHA will compare the rent to the average or mid-range rents for similar non-luxury, modest units in the locality to determine rent reasonableness. For unusual unit types, such as houses, mobile homes, duplexes, townhouses, or rented spaces, the HCHA uses various sources of information. These sources include the internet, newspaper advertising, and information from real estate professionals. If no comparable information is available for unusual unit types, staff will provide information on the closest comparable unit type available.

9.1.4 Owner Payments

[24 CFR 982.451]
After the HAP contract is executed, the HCHA begins forwarding payments to the landlord by mail or electronic deposit. Each month, approximately the first working day of the month, the Harford County Treasury Department will direct deposit or disburse housing assistance payments to the landlords.

Payments not received by the 10th working day of the month will be replaced upon request from the payee, and a stop payment will be put on the check.

The owner must notify the HCHA of a missing or incorrect payment within 90 days of the payment due date.

Section 9.2.0 Harford County Housing Agency Rental Assistance Programs

9.2.1 Excess Payments

The total of rent paid by the tenant, plus the housing assistance payment to the owner, may not exceed the contract rent. The owner must immediately return any excess payments to the HCHA. The HCHA may deduct the monies owed from future payments to the landlord.

Owners who do not return excess payments may be subject to penalties, as outlined in the "Owner or Family Debts to the HCHA" chapter of this plan.

9.2.2 Late Payments to Owners

In keeping with generally accepted practices in the local housing market, the HCHA must make housing assistance payments to the owner promptly, and in accordance with the HAP contract.

The HCHA will, upon owner request, pay a reasonable late fee for housing assistance payments not mailed to the owner by the first working day of the month. The late fee will conform to the late fee for the tenant on the owner's lease, or a reasonable late fee, as determined by the HCHA.

Proof of date of mailing is the date the HAP register was run.

The HCHA deems mail is delivered upon transfer to the U.S. Postal Service or other authorized mail carrier.

In the case of payments electronically deposited into the owner's designated bank account, the date the bank shows as the deposit date will be the official date of record and will be the determining factor in cases involving late payment penalties.

The HCHA will not be obligated to pay any late payment penalty if the HCHA determines that late payment is due to factors beyond the HCHA's control, such as a delay in the receipt of program funds from HUD, or a post office delay. The HCHA will use only administrative fee income or the administrative fee reserve, as its source of late payment penalties.

Chapter 10 Recertifications, Interims, and Other Regular Activities

[24 CFR 982.516]

Section 10.1.0 Introduction

In accordance with HUD requirements, the HCHA will reexamine the income and household composition of families at least annually. Families will be provided accurate annual and interim rent adjustments, and will be given reasonable notice of rent increases. All annual activities are coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This chapter defines the HCHA'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.

10.1.1 Appointments

In the administration of the programs, families are required to be available for various reasons, including eligibility interviews, program review conferences, inspection appointments, and overpayment conferences. Families scheduled for an appointment must attend that appointment or call to reschedule the appointment. The family will generally receive two appointment opportunities.

If the family fails to attend a scheduled appointment, and fails to call to reschedule, the HCHA may either reschedule the appointment one final time or send a notification of termination of assistance and opportunity for an informal hearing.

The family will not be offered a third appointment, unless they can provide documentation of an emergency situation that prevented them from attending the appointments, or if requested as a reasonable accommodation for a person with a disability.

10.1.2 Persons with Disabilities

Persons with disabilities, unable to come to the HCHA office, will be granted an accommodation by conducting the interview at the person's home, upon confirmation that the accommodation is appropriate for the disability.

10.1.3 Misrepresentation of Family Circumstances

If any participant deliberately misrepresents the information upon which eligibility or tenant rent is established, the HCHA may terminate assistance, request repayment of housing assistance, and refer the family file/record to the proper authorities for appropriate disposition, including prosecution.

10.1.4 Zero HAP Status

Participants in zero HAP status will remain on the program for 180 days and eligible for reinstatement of benefits if their circumstances change. After 180 days, if a family continues to be ineligible for benefits, the family will be dropped from the program. The family may be transferred to another unit if it is determined the family will be eligible for assistance at another unit, but the family must lease-up within the initial voucher term.

Section 10.2.0 Annual Activities

[24 CFR 982.516, 982.405]
The following two activities must be conducted by the HCHA every 12 months:

1. Recertifications of family income, assets, deductions, allowances, and composition.
2. HQS inspections.

The HCHA may conduct these activities together. The HCHA produces a monthly listing of units under contract scheduled for annual review. The participants on this listing are scheduled for housing quality standards inspections. A review of family income, assets, and composition may be conducted through the mail.

10.2.1 Annual Recertification

[24 CFR 982.516]
Families must be recertified at least annually. Family members must report, and the HCHA must verify, the U.S. citizenship/eligible immigrant status of family members.

10.2.2 Moves between Reexaminations

If annual inspections are coupled with annual recertifications, when families move to another dwelling unit, a reexamination will be scheduled unless the eligibility booklet was signed within 120 days of the execution of the new HAP contract for the new unit. If annual inspections are coupled with annual recertifications, the anniversary date will always be changed to the first of the month of the execution of the new HAP contract.

Income limits are used only upon initial admission to the program, and are not applicable upon reexamination or transfer. However, the 40% limitation rule does apply to a transfer.

Families may not transfer their assistance more than once every 12 months, unless there are special circumstances, such as an owner termination of tenancy notice.

10.2.3 Reexamination Notice to the Family

The HCHA maintains a reexamination tracking system. The household will be notified, in advance of the anniversary date, by mail or telephone. An interview may be scheduled, or the reexamination may be conducted through the mail. If requested as an accommodation for a person with a disability, the HCHA will contact the person by telephone, through a relay service for the hearing impaired, or in another appropriate manner. The HCHA will also mail the notice to a third party, if requested, as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification of the need presented by the disability.

10.2.4 Procedure

The HCHA's procedure for conducting annual recertifications, provided home interviews are conducted with the annual inspections may be the following:

Schedule the date and time of appointments and mail an advance notification to the family, and/or,

Contact the family by telephone, but if less than five days advance notice is given, the family will not be penalized for declining the appointment.

Conduct the inspection and issue appropriate notices.

If a family does not make the unit available, notices of action terminating assistance must be mailed to both the family and the landlord at least 30 days in advance of the recertification date.

10.2.5 Completion of Annual Recertification

The HCHA will complete all recertifications at least 30 days prior to the family's anniversary date, unless a delay is caused by a family action or inaction.

10.2.6 Collection of Information

[24 CFR 982.516(f)]
The HCHA has established recertification procedures that ensure the income data provided by families is complete and accurate.

The family must complete the recertification forms.

The HCHA may conduct the recertification interview at the HQS inspection appointment.

If no UIV information is available, the HCHA must request written third party verification of income, assets that exceed $5000, allowances, and deductions.

10.2.7 Requirements to Attend

If an interview is necessary, the following family members are required to attend a recertification interview, show picture identification, and sign a certification in the presence of a housing representative:

- The head of household, or spouse or co-head.
- If the head of household, spouse, or co-head are unavailable for an interview at the time of the inspection, he/she will be provided an office appointment for an interview.
- Exceptions may be given as a reasonable accommodation, or in emergency circumstances, such as hospitalization.

10.2.8 Documents/Information Required To Recertify

In the notification letter to the family, the HCHA will include instructions for the family to provide the following:

1. Documentation of income.
2. All forms and releases completed and/or signed and dated by the family.
3. Documentation of assets.
4. Documentation of deductions/allowances.
5. Completed personal declaration form.
6. Other information, as requested.

Releases and certifications altered, or amended, by the family are unacceptable and will be considered "failure to provide."

10.2.9 Verification of Information

The HCHA will follow the verification procedures and guidelines described in this plan. Verifications for reexaminations must be less than 120 days old as of the effective recertification date.

10.2.10 Tenant Rent Increases

An advance notice of a tenant rent increase is mailed to the family at least **30 days (amended 5/21/12)** prior to the scheduled effective date of the rent increase, unless the delay in notification was caused by an action or inaction of the family.

If a **30-day (amended 5/21/12)** advance notice cannot be issued, the tenant rent increase will be delayed until the following month, unless the delay in notification was caused by an action or inaction of the family.

If there has been a misrepresentation, or a material omission by the family, or if the family causes a delay in the reexamination processing, there may be a retroactive rent increase processed and repayment requirement for overpaid assistance.

An approved contract rent increase, in which the landlord provided proper 60-day notices to both the HCHA and the family, will be processed effective the date of the rent increase (even if it must be done retroactively). A contract rent increase will not be approved if a landlord failed to provide proper advance notice to both the HCHA and the family.

10.2.11 Tenant Rent Decreases

A decrease in tenant rent will be processed in a timely manner. If the family causes a delay, so that the processing of the reexamination is not complete by the anniversary date, the rent change will be effective on the first day of the month following completion of the reexamination processed by the HCHA.

The family must provide a written request and appropriate documentation for a family rent decrease to be processed on a date other than the reexamination date.

If the HCHA is responsible for a delay in processing the tenant rent decrease, the tenant rent decrease may be processed retroactive to the date the decrease should have been effective, and a supplemental payment is generally issued to the owner. In some circumstances, the supplemental payment may be issued to the tenant, as in the case of a tenant no longer residing in the unit.

10.2.12 Interim Changes

[24 CFR 982.516]
Program participants must report to the HCHA within ten days of the change, in writing, all changes in household composition, income, or assets. A family must obtain prior HCHA approval for all household additions except those due to birth, return of disabled or minor children to the household, adoption, or court-awarded custody. The owner must approve additions to the household, in writing, with the exception of additions due to birth, adoption, return of minor or disabled children to the household, or court-awarded custody.

The HCHA will conduct an interim examination to process a family rent decrease upon the family's written request for the interim and submission of the necessary verifications. In conducting the interim, all family information must be reviewed to ensure the reduction in family rent is correct and reflects all changes in family income and deductions that have taken place since the last examination.

Section 10.3.0 Procedures for Processing the Changes

The HCHA will notify the family and the owner of any change in the housing assistance payment according to the following guidelines:

Section 10.4.0 Increases in the Tenant Rent

If it is determined an interim is necessary to reflect an increase in tenant rent, the increase will be effective on the first of the month following a **30-day (effective 7/18/12)** reasonable advance notice. However, if there was a delay in processing, as a result of family action or inaction, the rent increase may be processed retroactively and a family repayment agreement executed.

An approved contract rent increase, in which the landlord provided proper 60-day notices to both the HCHA and the family, will be processed effective the date of the rent increase (even if it must be done retroactively). A contract rent increase will not be approved if the landlord failed to provide proper advance notice to both the HCHA and the family.

Section 10.5.0 Decreases in the Tenant Rent

Decreases are generally effective the first of the month following the change, unless the delay was caused by family action or inaction. A tenant rent decrease cannot be processed until the family reports the change, requests a rent reduction in writing, and provides the necessary verifications. In some cases, a retroactive adjustment will be processed, provided the family has complied with their obligations. If there is family hardship, a provisional rent reduction may be processed based on the family's notarized statement. In this case, the verifications must be obtained later.

Section 10.6.0 Procedures if a Change is Processed by the HCHA in an Untimely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner and provides all necessary verification. If a change cannot be made effective on that date due to a HCHA action or inaction, the HCHA has processed the change in an untimely manner. In this case, a family rent increase will be effective after the required reasonable advance notice, and after completion of processing by the HCHA.

If the change resulted in a family rent decrease, and the family requested the decrease in a timely manner and provided all necessary verification, the rent decrease for the family will be calculated retroactively to the date it should have been effective, and the owner or participant will be mailed a supplemental payment for that amount.

Section 10.7.0 Reporting Additions to Owner and the HCHA

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

The HCHA will deny a family's request to add additional family members who are prohibited from program participation for the time period indicated elsewhere in this plan. In instances where a participation prohibition period is not indicated elsewhere in this plan, the prohibition period is three years, unless the HCHA determines extenuating factors.

The HCHA will only approve the addition of disabled children to households, children who are born into the family, adopted, children to whom the family is given court-awarded custody, or return of a minor. The HCHA will only add adult household members under extenuating circumstances, such as homelessness caused by a natural disaster. Each adult to be considered as an addition to the household must have income and the ability to demonstrate 32 hours of employment on average per week for the past 52 weeks.

An exception to the income requirement may occasionally be granted to close blood relatives of the head of household, or spouse, for serious medical or hardship reasons. However, they cannot be added if the unit is overcrowded.

Participation is always denied to the following:

- Persons who have been evicted from public housing.
- Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations.
- Persons who were part of a family whose assistance was terminated under the certificate or voucher program for program violations. (Determination will be made on a case-by-case basis depending on the termination reason).
- Persons who commit, or have committed, drug-related criminal activity, or violent criminal activity as outlined in this plan.
- Persons who commit, or have committed, fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program, or state or local fraud involving public funds.
- Persons who currently owe rent or other amounts to the HCHA or to another HA in connection with Section 8 or public housing assistance, under the 1937 Act.
- Persons who have engaged in threatening, abusive, or violent behavior toward HCHA personnel or have had a pattern of two or more instances, observed by two or more staff or other witnesses, of abusive, vulgar, demeaning, or hostile written or oral language and/or gestures and body movement that denotes an implied threat, excessive hostility, or intimidation.
- Persons who have been involved in any 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.
- Persons who have been involved in any 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 HCHA.
- Persons who will overcrowd the unit.
- Persons who commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The income of the additional member will be included in the family income as applicable under the HUD regulations, after the person is approved by the HCHA and the owner. The HCHA will conduct a reexamination to determine such additional income and all other family income changes, and will make the appropriate adjustments in the housing assistance payment.

If a family does not obtain prior written approval from the HCHA, with the exceptions noted elsewhere, any person the family permitted to move in will be considered an unauthorized household member. The family is responsible for full rent for the duration of time the unauthorized person was residing in the unit.

Families are required to report, within 14 calendar days, family additions through court-awarded custody, birth, adoption, or minor or disabled children returning to the family.

A full interim reexamination will be conducted for any additions to the household, except for additions due to birth. In addition, a family must obtain prior written approval from the owner for additions to the household other than by birth, adoption, a minor or disabled child returning to the family, or court-awarded custody. However, the owner may disapprove any additions to the household unless to do so would be a violation of law.

Section 10.8.0 Reporting Absences to the HCHA

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

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

The HCHA will conduct an interim evaluation for changes that affect the total tenant payment in accordance with the interim policy.

Changes that do not require an interim reported by participants will be noted in the file by the staff person, or will be reflected on documents/statements provided by the family.

Section 10.9.0 Interim Reexamination Policy

10.9.1 Increases in Income

The HCHA may conduct interim reexaminations when families have an increase in income in certain circumstances. Families are required to report all changes in income/assets, in writing and in person within ten days. No faxed or mailed reports will be accepted. The HCHA may, at its discretion, conduct interim reexaminations in the following instances:

- At the start and conclusion of the second 50 percent phase-in period of a family's Earned Income Disallowance.
- If the family had previously been receiving zero or minimal income.
- If it had not been possible to anticipate family income at the time of an examination.
- If a provisional calculation had been conducted because verifications were not available at the time.
- If it had been determined, that a calculation error had occurred or the calculation was based on incorrect information.
- If it appears, the family is manipulating the program by a pattern of reducing income just prior to the annual recertification and increasing its income right after.

- If it is discovered, a family has a welfare sanction and the rent should not have been reduced.
- To admit a family to the Family Self Sufficiency Program.
- Upon family request.

When the family notifies the HCHA, it must furnish the following information:	
	The date the family member moved out.
	The new address, if known, of the family member.
	A notarized statement as to whether the family member is temporarily or permanently absent.
Other Interim Reporting Issues	An interim reexamination does not affect the date of the recertification.
Families with zero or minimal income must submit a statement of income and expenses along with receipts every 30 days.	
A family with minimal income has monthly income at or below the following level: ***Family Size Minimal In come:***	1 person - $200 2 persons - $250 3 persons - $300 4 persons - $350 5 persons - $400 6 persons - $450 7 persons - $500 8 persons - $550

Section 10.10.0 Decreases in Income

Participants are required to submit a written request for review of their rent calculations when they have a decrease in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions. The HCHA will not process a reduction in family rent until it receives a written request and appropriate documentation of the changes. In hardship cases, the HCHA may process a rent reduction based on a family's notarized statement and obtain verification later. The HCHA will review all family income and deductions, to ensure the interim rent reduction is correct and based on all current family information.

Section 10.11.0 HCHA Errors

If the HCHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error. The family will not be charged retroactively in this case.

An HCHA error that resulted in an underpaid HAP will be corrected retroactive to when the decrease would have been effective if calculated correctly. However, since it is the family's responsibility to notify the HCHA of a calculation error, with the exception of special circumstances, the HCHA will not adjust the family's rent beyond the last action taken. A supplemental payment will be issued to the landlord for the HAP underpayment if the family still has the same owner. If the family has a new landlord, the underpayment will be issued directly to the family.

Section 10.12.0 Household Composition Changes That Require a Change in Voucher Size

A family must request, in writing, an increase in their voucher size. Upon written request, provided the family is eligible for a larger voucher under the current subsidy standards, the voucher size will be increased, if the family is in an appropriately sized unit, or if the family is transferring to an appropriately sized unit.

If it is determined the unit does not meet HQS because the unit is overcrowded, a family must give notice to move, if the family is eligible to move, or the assistance must be terminated within 60 days of the change in household composition that caused the unit to be overcrowded.

For a reduction in the voucher size, a family must be given a minimum of a sixty-day notice of intended action, effective the next annual reexamination, or as soon as possible thereafter. If an error is discovered that resulted in the voucher size not being reduced at the appropriate time, the voucher size will be reduced with a 60-day notice. The family must be issued and sign a voucher reflecting the new voucher size.

Section 10.13.0 Notification of Results of Recertifications/Interims

[HUD Notice PIH 98-6]

The HUD Form 50058 will be completed and transmitted as required by HUD.

The notice of rent change is mailed to the owner and the tenant. The HCHA does not require signatures. If the family disagrees with the rent adjustment, they may request an informal review.

Chapter 11 Moves with Continued Assistance, Portability

[24 CFR 982.314, 982.353, 982.355(a)]

Section 11.1.0 Introduction

HUD regulations permit families to move with continued assistance to another unit within the HCHA jurisdiction, or to a unit outside of the HCHA jurisdiction under portability procedures. The regulations also allow the HCHA the discretion to develop policies to define any limitations or restrictions on moves. This chapter describes the procedures for moves, within, and outside the HCHA jurisdiction, and the policies for restrictions and limitations on moves.

Moves

Restrictions on Moves

[24 CFR 982.314, 982.552(a)]
Families will not be permitted to move during the initial term of the lease, unless the move is necessary due to a family member being the victim of domestic violence, dating violence, or stalking, in which case a move will be allowed, and no waiver will be required.

Families will not be permitted to move more than once in a twelve-month period, unless they can demonstrate the move is required due to a medical emergency, the landlord issuing a termination of tenancy notice, or as a result of a family member being the victim of domestic violence, dating violence, or stalking.

Families will not be permitted to move if the lease/rental agreement was not properly terminated either by the family providing to the owner a proper 30-day notice to move, an approved waiver between the landlord and the tenant, or by a termination of tenancy notice issued by the owner.

Families will not be eligible to move with continued program participation if they will be in zero HAP status at the new unit.

The HCHA will deny the family permission to move if there is insufficient funding for continued assistance.

The HCHA will deny the family permission to move if:

- The family has violated a family obligation.
- The family owes the HCHA or another HA money.

The housing supervisor may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control, the participant is current on his/her repayment agreement, and the family is not moving outside of the HCHA jurisdiction.

Section 11.2.0 Procedure for Transfers

[24 CFR 982.314]

Extension/Rescission of Transfer

If the family does not locate a new unit, it may remain in the current unit if the owner allows the family to stay, the unit meets housing quality standards, and the family and owner submit a written confirmation to the HCHA.

Notice Requirements

The initial briefing session will emphasize the family's responsibility to give the owner and the HCHA proper 30-day written notice of any intent to move.

The family must give the owner the legally required advance written notice of its intent to vacate and must forward a copy to the HCHA at the same time.

Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move, and there will be no overlapping assistance.

Assistance Termination and Overlapping Assistance

In a move, assistance stops at the old unit on the date the participant has notified the HCHA he/she will be vacating the unit, unless the participant and owner request an extension of the lease termination date in writing.

Unless the HCHA determines extreme documented extenuating circumstances, assistance on the old and new units may never overlap. The HCHA may never pay assistance on a unit beyond the end of the month the family moves.

Section 11.30 Portability

[24 CFR 982.353]
Portability applies to families moving out of or into the HCHA's jurisdiction within the United States and its territories.

Outgoing Portability

[24 CFR 982.353, 982.355]
Within the limitations of the regulations and this policy, a participant family has the right to tenant-based voucher assistance outside the HCHA's jurisdiction, anywhere in the United States that has an administering HCHA. When a family provides written request to move outside of the HCHA's jurisdiction, the request must specify the area to which the family wishes to move, as well as the name and address of the appropriate PHA. Subsidy standards and income limits vary from HA to HA, and the HCHA will advise the family to contact the receiving HA regarding its policies and procedures, and the HCHA will make contact with the receiving HA by telephone, fax, or e-mail.

The HCHA will choose the receiving HA in instances of more than one HA in the area the family has chosen.

The HCHA may, if warranted by funding constraints, and if permitted under the regulations, deny a family's portability to a higher cost area.

The HCHA will make its billing payments to the receiving HA within 30 days of receiving Part IT of HUD Form 52665 from the receiving HA, and subsequent payments must be received by the receiving HA no later than the fifth working day of each month.

If the HCHA does not receive a billing from the receiving HA within 60 days of the initial expiration date of the voucher, the HCHA will contact the receiving HA to ascertain the status of the family. If the family is not under lease, the HCHA may, based on available vouchers, advise the receiving HA that it will not accept subsequent billings on behalf of the family. If subsequent billings are received after contact with the receiving HA, the HCHA will return them and advise the receiving HA to absorb the family. However, if the HCHA is advised, at first contact, that the family is under a HAP contract and the receiving HA cannot absorb the family, the HCHA is required to accept the subsequent late billing.

After the HCHA (initial HA) sends the family's portability paperwork to the receiving HA, the HCHA is no longer administering that family's voucher. The HCHA cannot provide assistance for the family beyond their intended move-out date. If the family requests an extension of their assistance, the receiving HA must return the portability paperwork to the HCHA to reinstate the family's assistance. If the family then chooses to port, they must once again submit a written request to initiate the portability process.

The HCHA cannot accept the return of a family with an expired voucher, but will accept the return of a family with an active voucher.

Restrictions on Portability

Applicants

If neither the head nor spouse had a domicile (legal residence) in the HCHA's jurisdiction at the date of initial application for assistance, the family may not be permitted to exercise portability upon initial issuance of a voucher, unless the HCHA approves the move.

For a portable family not yet receiving assistance in the HCHA's jurisdiction, the HCHA must determine whether the family is eligible for admission under the receiving HA's program. In order to make this determination, the HCHA will advise the family regarding the receiving HA's income limits.

Participants

The HCHA will not permit families to exercise portability if:

- The family owes money to the HCHA, or if the family is delinquent on repayment of monies owed to any other HA.
- The family is ineligible to move as outlined elsewhere in this chapter.
- The family is being investigated for possible ineligibility for the program.

If a HA denies a family's move into its jurisdiction, the HA must offer the family an opportunity for an informal hearing for participants, an informal review for new admissions, and submit its hearing/review determination to the HCHA within 60 days of the hearing/review decision.

A family cannot extend its move-out notice if a portability packet has been issued to the receiving HA.

Incoming Portability

[24 CFR 982.354, 982.355]

Absorption or Administration

The HCHA will accept a family with a valid active voucher from another jurisdiction, and administer or absorb the voucher. The family will be issued a "portable" voucher by the HCHA, if it is administering the voucher. The term of the voucher will not expire before the expiration date of any initial HA voucher.

The family must submit a RTA for an eligible unit to the HCHA during the term of the voucher. The HCHA may extend the voucher in conformance with its policies, but the HCHA must inform the initial HA of the extension. The HCHA will not extend the voucher if the extension makes it impossible to bill by the billing deadline.

If the family decides not to lease in the HCHA's jurisdiction, or moves out of the HCHA's jurisdiction, the HCHA must refer the family back to the initial HA.

Extensions on a voucher granted by the HCHA are no longer valid if a family decides not to lease in the HCHA's jurisdiction.

The HCHA must process the incoming portability and issue a voucher within two weeks unless:

- The voucher has expired. If this happens, the HCHA will refer the family back to the initial HA.
- The family has not contacted the HCHA.

- The family is a new admission and is determined not to be income eligible.
- The documents provided by the initial HA are not complete.
- The family fails to comply with the receiving HA's procedures; for example, refuses to complete disclosure forms or certifications.

The HCHA may not delay processing the incoming portability by requiring:

The family to attend a briefing not scheduled for three or more weeks.
A background check or income reexamination, which will take more than two weeks.

Although the HCHA may not delay processing and issuance of the voucher more than two weeks, it may take action against a family, including termination of the family's participation in the program, based on the results of a background check or income reexamination, as well as for any other program violation.

The HCHA may absorb incoming vouchers, if the initial HA absorbs an equal number of the HCHA's incoming vouchers, to further program goals, regulations, or rules.

When the HCHA does not absorb the incoming voucher, it will administer the initial HA's voucher and the HCHA's policies will prevail.

For an admission to the program, a family must be income eligible in the area it initially receives assistance.

The HCHA will issue a "portability voucher" according to its own subsidy standards.

The family may receive a smaller or larger voucher size, if the subsidy standards of the HCHA differ from those of the initial HA.

Section 11.4.0 Income and Total Tenant Payment of Incoming Portables

[982.353(d)]
As the receiving HA, the HCHA may conduct a reexamination interview, but will only verify information when the documents are missing, are more than 120 days old, or if the family circumstances have changed. The HCHA will request all necessary third-party verifications. In addition, for families who had not received assistance in their original jurisdiction, the HCHA must determine if the family is income eligible at or below 50% of area median income.

The HCHA interview will not cause a delay in the issuance of a voucher.

If the family's income calculates to zero subsidy prior to lease-up, the HCHA will refuse to enter into a contract on behalf of the family. A notice of action and opportunity for an informal hearing/review will be issued.

Requests for Tenancy Approval

When the family submits an RTA, the RTA will be processed using the HCHA's policies. If a family does not submit an RTA, or does not execute a lease, the HCHA will notify the initial HA within 14 days after the voucher expiration date.

If the family successfully leases, the HCHA will notify the initial HA within 10 working days of the execution of the HAP contract, and no later than 60 days after the initial voucher expiration date, and the billing process will commence.

If the HCHA denies assistance to the family, it will notify the initial HA within 10 days of the effective date of the termination, and if the family requests an informal hearing/review, within 10 working days of the hearing decision.

The HCHA will notify the family of its responsibility to contact the initial HA if the family wishes to move outside the HCHA jurisdiction under continued portability.

Regular Program Functions

The HCHA will administer the family's assistance on behalf of the initial agency in accordance with this plan and HUD regulations, including performing the following activities:

- Annual reexaminations of family income, assets, and composition.
- Annual inspection of the unit.
- Interim examinations, as necessary.
- Family transfers from one unit to another within the HCHA jurisdiction.

The HCHA will notify the initial HA within 10 working days of the effective date of the following changes:

- Change in billing amount.
- A decision to absorb the family.
- Termination of housing assistance payments.

Terminations

The HCHA will notify the initial HA, in writing, of termination of assistance within 10 working days of the termination effective date. If an informal hearing/review is required and requested by the family, the HCHA will conduct the hearing/review using the regular hearing/review procedures in this plan. A copy of the hearing decision will be furnished to the initial HA within 10 working days.

If a family owed money to the HA prior to porting, the initial HA will be responsible for collecting amounts owed by the family for claims and for monitoring repayment. If the initial HA notifies the HCHA that the family is in arrears, or the family has refused to sign a payment agreement, either the initial or the receiving HA will terminate assistance to the family, and either the initial or the receiving HA will conduct an informal hearing, if requested.

Required Documents

The initial HA must forward to the HCHA the documents listed on the HUD portability billing form.

Billing Procedures

As receiving HA, the HCHA will bill the initial HA monthly for housing assistance payments, administrative fees, and special claims.

The HCHA will bill 100% of the housing assistance payment, 100% of special claims, and 80% of the administrative fee (at the initial HA's rate) for each "portability" voucher leased on the first day of the month.

If administering the portability voucher, the HCHA must issue its initial billing notice to the initial HA no later than 60 days following the original expiration date of the voucher and within 10 working days of the date, it executes the HAP contract.

The HCHA must complete the HUD 52665 and 50058 forms and return them to the initial HA by the initial billing deadline.

The HCHA will notify the initial HA of changes in subsidy amounts, and will expect the initial HA to notify the HCHA of changes in its administrative fee.

The HCHA must send the initial HA an updated HUD 50058 each year regardless of whether there is a change in the billing amount.

The HCHA will promptly notify the initial HA, in writing, of late payments and must send a copy of the notification to the local Office of Public Housing. If the payments are late the following month, the HCHA may petition HUD to transfer the units to the receiving HA.

Chapter 12 Program Review and Program Integrity

[24 CFR 792.101 to 792.204, 982.54]

Section 12.1.0 Introduction

The United States Department of Housing and Urban Development (HUD) conservatively estimates that 600 million dollars are paid annually to program participants who falsify, provide, or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that twelve percent (12%) of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.The HCHA is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources reach only income-eligible families. The HCHA will take all steps necessary to prevent fraud, waste, and mismanagement, so that program resources are utilized judiciously.

This chapter outlines the HCHA's policies for the prevention, detection, and investigation of program abuse and fraud. In addition, this chapter discusses quality control procedures taken to ensure the program is operated in conformance with the regulations, as well as industry standards.

Section 12.2.0 Complaints to the HCHA

The HCHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HCHA may request complaints be submitted in writing. HQS complaints may be reported by telephone.

The HCHA hearing procedures are provided to families in the Family Handbook. The Family Handbook is presented to families at briefings, transfers, upon request, and frequently at recertifications.

12.2.1 Categories of Complaints

Complaints from families:

- A family disagrees with an action or inaction of the HCHA or owner.

  The housing eligibility analyst will make every effort to resolve complaints from families. If the complaints are not resolved, they will be referred to the housing supervisor. The housing supervisor will make every effort to resolve the complaints. If the complaints are not resolved, they will be referred to the director.

Complaints from owners:

- An owner disagrees with a family or HCHA action or inaction.

The housing eligibility analyst will make every effort to resolve owner complaints. If the owner complaints are not resolved, they will be referred to the housing supervisor. The housing supervisor will make every effort to resolve the complaints. If the complaints are not resolved, they will be referred to the director.

Complaints from staff:

- A staff person reports an owner or family either violating or not complying with program rules.

  The complaint will be referred to the housing supervisor.

Complaints from the genera/public:

- Someone from the public complains about staff, participants, owners, or other matters.

  Complaints or referrals from persons in the community in regard to the HCHA, a family, or an owner will be referred to the program eligibility analyst. If the complaints are not resolved, they will be referred to the housing supervisor, and if not resolved, to the director.

Complaints from the press, politicians, supervisors, or other high profile individuals:

High profile complaints will be referred to the director.

Section 12.3.0 Criteria for Investigation of Suspected Program Abuse and Fraud

The HCHA expects participating families to comply with HUD requirements, provisions of the Housing Choice Voucher, and other program rules. The HCHA staff will make every effort (formally and informally) to orient and educate all families to avoid unintentional violations. However, the HCHA has a responsibility to HUD, to the community, to the taxpayer, and to eligible families in need of housing assistance to monitor participants and owners for compliance; and, when indicators of possible abuse come to the HCHA' s attention, to vigorously investigate such claims.

The HCHA will initiate an investigation of a participating family in the event of one or more of the following circumstances:

1. Referrals, Complaints, or Tips:

   The HCHA will follow up on written, telephoned, or in-person referrals from other agencies, companies, or persons, which allege that a family is in noncompliance with the program, or otherwise violating family obligations or any other program rules. Such follow up will be conducted providing the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

2. Internal File Review:

   A follow up is made when the HCHA staff discovers (as a function of a certification or recertification, an interim determination, or a quality control review) information or facts which conflict with previous file data, the HCHA's knowledge of the family, or is contrary to statements made by the family.

3. Verification of Documentation:

   A follow up is made if the HCHA receives independent verification or documentation, which conflicts with representations in the family's file (such as public record information, credit bureau reports, or reports from other agencies).

4. Routine Program Review Activities:

5. The HCHA may routinely conduct criminal history verification on program participants.

6. If an investigation is beyond the scope of the housing specialist, a referral is given to the supervisor, who may contact the Office of Inspector General (OIG).

Section 12.4.0 Prevention of Program Abuse and Fraud

The HCHA management and staff will employ various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants and participating families. The HCHA's policy objective is to minimize family and owner noncompliance by providing clear and concise program education to eliminate violations that occur as a result of misunderstanding the program rules and requirements.

12.4.1 Participant Orientation Session (Briefing)

All prospective program participants will attend a mandatory orientation session provided by HCHA staff either prior to, or upon issuance of, a voucher. At the conclusion of all program orientation sessions, the family representative will be required to sign a confirmation that all rules and pertinent regulations were explained to them.

12.4.2 Owner Orientation Session

Owners may attend informational workshops held periodically to orient owners to program rules and requirements.

12.4.3 Participant Counseling

The HCHA will routinely provide information to participants, upon request, to clarify any confusion regarding program rules and requirements.

12.4.5 Review and Explanation of Forms

Staff will explain all required forms, upon request, and review the contents of all certification/recertification documents prior to the participant's signature to affirm that all information provided is true, complete, and correct.

12.4.6 Use of Instructive Signs and Warnings

Information may be posted in the HCHA common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

12.4.7. Participant Certification

All adult family representatives are required to complete and sign an eligibility declaration that discloses important eligibility information, such as family members, income, assets, criminal history and other eligibility information.

Section 12.5.0 Other Program Integrity Activities

All adults are required to sign an authorization for release of information.

All adults are required to sign a Program Regulation Sheet.

Credit report and Department of Motor Vehicles (DMV) inquiries may be conducted.

A Family Handbook is given to all participant families.

The Family Handbook advises the family of the HCHA policy of zero tolerance for property damage.

12.5.1 Detection of Program Abuse and Fraud

The HCHA staff maintains a high level of awareness to indicators of possible abuse and fraud by assisted families.

12.5.2 Quality Control File Reviews

Prior to initial certification, and at the completion of annual recertifications, the minimum number of files required by SEMAP will be reviewed. Such reviews shall include, but are not limited to:

- Assurance that verification of all income and deductions is present.
- Changes in reported social security numbers or dates of birth.
- Authenticity of file documents.
- Signatures consistent with previously signed file documents.
- Signatures and correct dates on forms.
- Rent reasonableness documentation, if applicable.
- Passed HQS inspections prior to execution of HAP contracts.

12.5.3 Observation

The HCHA staff, including HQS inspectors, will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Observations will be documented in the family's file.

Management and staff may review public record bulletins.

12.5.4 State Wage Data Records

Inquiries to state wage and employment record keeping agencies, as authorized under Public Law, may be made on a case-by-case basis, in order to detect unreported wages or unemployment compensation benefits.

12.5.5 Credit Bureau Inquiries

Credit bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

1. At the time of final eligibility determination.
2. Upon transfer from one unit to another.
3. When a participant's expenditures exceed his/her reported income, and no plausible explanation is given as to how the participant is meeting his/her expenses.
4. Upon allegations of unreported income, or the family living above its apparent means.
5. Upon an inspection, that indicates the family's unexplained acquisition of expensive items, such as furniture, electronics, vehicles, or boats.

Section 12.6.0 Allegations of Program Abuse and Fraud

The HCHA staff will encourage all participating families to report suspected abuse to the HCHA. All such referrals, as well as referrals from community members and other agencies, will be thoroughly investigated, documented, and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated in order to determine if they warrant follow up. The HCHA will not follow up on vague or nonspecific allegations. They will only review allegations that contain one or more independently verifiable facts.

12.6.1 File Review

An internal file review will be conducted to determine if a program participant is involved in criminal activity; and, if so, if the information reported has been previously disclosed by the family. The HCHA will then determine the appropriate authority to follow up (e.g., police or social services). Any file documentation of past behavior, as well as corroborating complaints, will be evaluated.

Conclusion of Preliminary Review

If at the conclusion of the preliminary file review, there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the housing specialist will initiate an investigation to determine if the allegation is true or false.

12.6.2 Investigation of Allegations of Program Abuse and Fraud

When the HCHA determines that an allegation or referral warrants follow up, either the staff person who is responsible for the file, or a person designated by the executive director to monitor program compliance, will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, the HCHA will secure the written authorization from the program participant for the release of information.

12.6.3 Credit Bureau Inquiries

In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

12.6.4 Verification of Credit

In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor in order to determine the unreported income source.

12.6.5 Employers and Former Employers

Employers or former employers may be contacted to verify wages that may have not been previously disclosed or was previously misreported.

12.6.6 Witnesses

Witnesses may be interviewed regarding facts pertaining to the HCHA's review.

12.6.7 Other Agencies

Investigators, caseworkers, or representatives of other benefit agencies may be contacted.

12.6.8 Public Records

If relevant, the HCHA will review public records. Examples of public records, which may be checked, include real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records, postal records, school records, or other types of records.

12.6.9 Interviews with Head of Household or Family Members

The HCHA may discuss the allegation (or details thereof) with the head of household or family member by telephone, or by scheduling an appointment for the family to come to the HCHA office. The HCHA staff members will conduct interviews with a high standard of courtesy and professionalism. The HCHA staff members will, under no circumstances, use inflammatory language, accusations, or any unprofessional conduct or language in the course of doing business. If possible, more than one staff person will attend the interviews.

12.6.10 Overpayments to Owners

When a landlord has been overpaid as a result of fraud, misrepresentation or violation of the HAP contract, the HCHA may terminate the HAP contract and arrange for restitution to the HCHA, and/or family, as appropriate. In addition, depending upon the seriousness of the offense, the landlord may be debarred from future program participation for a limited or an unlimited period of time.

The HCHA will attempt to recover overpayments resulting from landlord fraud or abuse. Payments due from the owner may be debited in order to repay the HCHA or the tenant, as applicable. In instances where it is found the family rented from a relative without the required HCHA permission, or if the family was approved to rent from a relative based upon a misrepresentation of material facts, an overpayment will be collected from both the owner and the participant - each party responsible for repayment of 50% of the HAP paid.

12.6.11 Document and/or Evidence Handling

Documents and other evidence obtained by the HCHA during the course of an investigation will be considered "work products" and will be kept in the participant's file. The participant's file shall be kept in a secure location. The cases under review will not be discussed among HCHA staff members, unless they are involved in the process, or have information that may assist in the investigation.

12.6.12 Conclusion of the HCHA's Investigative Review

At the conclusion of the investigative review, the reviewer will place the findings in the participant's file. The findings in the participant's file will narrate if a violation has or has not occurred, or if the facts are inconclusive.

Evaluation of the Findings

When it is determined that a program violation has occurred, the HCHA will review the facts to determine the following:

- The type of violation (procedural, noncompliance, fraud).
- Whether the violation was intentional or unintentional.
- The amount of money (if any) owed by the family.
- The family's eligibility for continued assistance.

12.6.13 Procedures for Documented Violations

When a program violation has been documented, the HCHA will propose the most appropriate remedy based upon the type and severity of the violation.

12.6.14 Procedural Noncompliance

This category applies to a family "failure" to observe a procedure or requirement of the HCHA, when the family did not misrepresent a material fact, and there are no retroactive assistance payments owed by the family.

Examples of procedural noncompliance violations are the following:

- Failure to appear at a prescheduled appointment.
- Failure to return verifications in the time period specified by the HCHA.

12.6.15 Warning Notice to the Family

In such cases, a notice may be sent to the family that contains the following:

- A description of the noncompliance and the procedure, policy or obligations violated.
- The date by which the violation/s must be corrected.
- The action that will be taken by the HCHA, if the violations are not corrected by the deadline.
- The consequences of repeated (similar) violations.

12.6.16 Overpaid Assistance

When the family owes money to the HCHA for failure to report changes in income, assets, and family composition; or if the family has an unauthorized person in the household, the HCHA will issue a notification of overpayment of assistance. This notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to the HCHA.

12.6.17 Participant Fails to Comply with the HCHA Notice

If the participant fails to comply with the HCHA notice, and a family obligation has been violated, the HCHA will initiate termination of assistance.

12.6.18 Participant Compiles with the HCHA Notice

When a participant complies with the HCHA notice, the staff person responsible may meet with him/her, or telephone to discuss and explain the family obligation or program rule that was violated. The staff person will narrate in the tenant record, and may ask the family to write a statement of understanding of the requirement that was violated for the family's file.

12.6.19 Intentional Misrepresentations

When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact, the HCHA will evaluate whether or not:

- The participant had knowledge that his/her actions were wrong.
- The participant willfully violated the family obligations or the law.

Knowledge that the Action or Inaction Was Wrong

The facts will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certifications, personal declaration, and other documents that reflect the participant's knowledge of program rules, is adequate to establish knowledge of wrongdoing.

Participant Willfully Violated the Law

Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation.
- The act was done repeatedly.
- A false name or social security number was used.
- There were admissions to others of the illegal action or omission.
- The participant omitted material facts, which were known to him/her (e.g., employment of self, or other household member).
- The participant falsified, forged, or altered documents.
- The participant uttered and certified to statements, at an interim or annual recertification, which were later independently verified to be false.

12.6.20 Disposition of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, the HCHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

> ***Criminal Prosecution****:* If the HCHA has established criminal intent, and the case meets the criteria for prosecution, the HCHA will refer the case to the local state or district attorney, notify HUD, and terminate rental assistance.
>
> ***Administrative Remedies****:* The HCFIA will terminate assistance and demand payment/restitution in full.

Section 12.7.0 Case Conference for Serious Violations and Misrepresentations

When the HCHA has established that material misrepresentation(s) have occurred, a case conference may be scheduled with the family representative and the HCHA staff person who is most knowledgeable about the circumstances of the case. This conference may be held if there is some indication of extenuating circumstances, or upon family request.

This conference may take place prior to any proposed action by the HCHA. The purpose of such conference is to review the information and evidence obtained by the HCHA with the participant, and to provide the participant an opportunity to explain any document findings, which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family may be taken into consideration by the HCHA.

A secondary purpose of the participant conference is to assist the HCHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, the HCHA may consider the following:

- The duration of the violation.
- An admission by the participant of the misrepresentations.
- Repetition of the misrepresentation.
- The family's ability to understand the rules.
- The family's willingness to cooperate and to accept responsibility for their actions.
- The amount of money involved.
- The family's past history.
- Whether or not criminal intent has been established.
- The number of false statements.

12.7.1 Notification to Participant of Proposed Action

The HCHA will notify the family of the proposed action no later than 30 days after the case conference, if one is held.

Chapter 13 Terminations, Denials, Hearings, and Reviews

[24 CFR 982.552, 982.553, 982.311, 982.314]

Section 13.1.0 Introduction

The Section 8 Program operates through a relationship between the housing agency, the owner, and the participant. These parties enter into agreements with each other in the form of the lease between the owner and the participant, the contract between the owner and the housing agency, and the Housing Choice Voucher between the housing agency and the participant. Each party to these agreements is obligated to comply with certain requirements of the program, and the agreements may be terminated under program guidelines. This chapter describes the process for termination or denial of assistance, as well as the process for termination of the HAP contract and the policies and procedures for such terminations.

The HCHA may deny or terminate assistance for a family due to the family's action or failure to act. The HCHA will provide families with a written description of the family obligations under the program, the grounds under which the HCHA can deny or terminate assistance, and the HCHA's informal hearing or informal review procedures. For more information on family eligibility, please refer to Chapter Three.

The informal hearing or informal review requirements defined in HUD regulations apply to participant or applicant families who disagree with an action, decision, or inaction of the HCHA. This chapter describes the policies, procedures and standards used when families disagree with a HCHA decision. It is the policy of the HCHA to ensure that all families have the benefit of all protections due to them under HUD rules and regulations governing the Section 8 Program.

13.1.1 Denial or Termination of Program Participation

Form and Format for Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the waiting list.
- Removal from the waiting list.
- Denying a voucher or withdrawing a voucher.
- Refusing to enter into a HAP contract or approve a tenancy.
- Refusing to process or provide assistance under portability procedures.

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a tenancy.
- Terminating housing assistance payments under an outstanding HAP contract.
- Refusing to process or provide assistance under transfer or portability procedures.

13.1.2 Extenuating Circumstances

Extenuating circumstances may be considered by the director if the responsible family member has no prior history of program violations and/or complaints; the violations did not involve violent or drug-related criminal activities, and only if he/she provides compelling medical documentation indicating he/she was incapacitated during the time the program violations occurred to such a degree he/she was clearly incapable of understanding program requirements. Furthermore, the means of violation detection and subsequent family truthfulness and cooperation will be taken into consideration.

The HCHA will not take action to deny or terminate assistance for lease violations, criminal activities, or other good cause if the violations occurred as a result of a family member being the victim of domestic violence, dating violence, or stalking, unless the HCHA can demonstrate that the act poses an actual or imminent threat to other tenants or those employed at or providing service to the property.

In the case of lease violations, the family must make full restitution to the landlord as demonstrated by a landlord's full release and proof of payment. In addition, if the violations resulted in overpaid housing assistance payments, the family may, (depending on the size of the repayment), be allowed to remain on the program if the family enters into a repayment agreement and the payments are kept current.

If a family is found ineligible due to noncompliance as a result of a disability, the HCHA may delay the denial or termination in order to determine if the problem could be corrected by reasonable accommodation in conformance with this plan's reasonable accommodation policy.

13.1.3 Lease Violations

The following criteria will be used to decide if serious or repeated violations of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violations of the lease.
- If it is found the family violated the lease as determined by the following evidence:
- Court judgment or settlement between the family and the owner in which the family agrees to vacate the unit and/or pay a settlement amount, or;
- Police reports, neighborhood complaints, pictures, a HCHA inspection, or other verified third-party information that confirms serious or repeated lease violations, or;
- Nonpayment of rent (always considered a serious violation of the lease).
- If the family fails to vacate the unit as required.
- Other action(s) committed by the family which results in program abuse.

The participant cannot withhold rent under the program due to a unit being uninhabitable without permission of the HCHA; as the HCHA and the owner must be notified of conditions needing repair in the unit, the owner must be given an opportunity to remedy the problems, and the HCHA must be given the opportunity to conduct a special inspection to determine if the unit fails HQS. If the participant fails to pay rent without permission of the HCHA, the participant's nonpayment of rent will be considered a serious lease violation.

In addition, it will always be considered a serious lease violation if the participant causes the landlord to incur expenses for cleaning and/or damages which exceed $200 as verified by either an independent expert's cost estimate or photographs taken by HCHA staff. HCHA photographs of an obviously dirty unit, or damages above wear and tear, or debris left in or around the unit, may be considered a serious lease violation. If the participant does not make full restitution, he/she may not be transferred, and he/she will be issued a 30-day notice of termination of program participation. With the exception of a unit being "red tagged" as being uninhabitable by a governmental entity, the family may not move during the term of the lease without the owner's and the HCHA's permission.

A participant cannot move during the term of the lease, even if the participant claims a unit is uninhabitable; as the HCHA and the owner must be notified of the problems in the unit, the owner must be given an opportunity to remedy the problems, and the HCHA must be given the opportunity to conduct a special inspection to determine if the unit fails HQS. If the participant abandons the unit during the term of the lease without permission of the HCHA, the participant's action will be considered a serious lease violation.

13.1.4 Notification of Eviction

If the family requests assistance to move, but has not notified the HCHA of an eviction within 14 days of receiving the notice of lease termination, the move will be denied.

13.1.5 Zero ($0) Assistance Tenancies

[24 CFR 982.455(a)]
The HCHA has no liability for unpaid rent or damages, and the family may remain in the unit, at zero assistance for up to six months after the last HAP payment. If the family is still in the unit after six months, program participation will end. If, within the six-month timeframe, an owner rent increase or a decrease in the total tenant payment results in the family becoming eligible for assistance, the HCHA will resume assistance payments for the family upon documentation of the change.

If the family moves from the unit during the six-month period, and the family is eligible to move, the family will be issued a voucher. If the family becomes eligible for assistance during the term of the voucher, the family will be leased into a new unit. However, the family cannot be leased in a new unit, if the family is in zero HAP. Also, a family in zero HAP is ineligible for voucher extensions.

A family that requests portability during the six-month period may be issued a voucher to port, but the receiving HA will be advised that the family is in zero HAP.

Section 13.2.0 Option Not to Terminate for Misrepresentation

[24 CFR 982.551, 982.552(c)]
If the family has misrepresented information so that an overpayment of assistance was disbursed, the HCHA may choose to allow the family to continue participation, if the family executes a repayment agreement for overpaid assistance and makes payments in accordance with the agreement. The determination to not terminate family participation depends on the seriousness of the misrepresentation and the family's history of complying with the program and the lease.

13.2.1 Misrepresentation in Collusion with Owner

[24 CFR 982.551, 982.552(c)]
If the family intentionally, willingly, and knowingly commits fraud, or is involved in an illegal scheme with the owner, such as an unauthorized side payment agreement, the HCHA will usually deny or terminate assistance. The HCHA may consider extenuating circumstances in making its determination.

13.2.2 Missed Appointments and Deadlines

[24 CFR 982.551, 982.552 (c)]
It is a family obligation to supply information, documentation, and certification as needed for the HCHA to fulfill its responsibilities. The HCHA schedules appointments and sets deadlines in order to obtain the required information. The family obligations require that the families allow the HCHA to inspect the unit with a reasonable advance notice.

The HCHA may issue a notice to deny or terminate assistance when an applicant or participant fails to keep an appointment, supply information by the deadline, or fails to allow a scheduled HCHA inspection.

The family will be informed of the requirement to keep appointments.

Appointments or deadlines may be required in the following circumstances:

- Eligibility for admissions.
- Verification procedures.
- Voucher issuance and briefings.
- Housing quality standards inspections.
- Recertifications.
- Appeals.
- Conferences.

The following documented extenuating circumstances may be considered for missed appointments or deadlines:

- Medical emergency.
- Family emergency.

13.2.3 Procedure When Appointments are Missed or Information Not Provided

The family may be given two opportunities before a notice of termination of assistance or denial of participation is issued. The family must call to reschedule a missed appointment, and if not, a termination of assistance or denial of participation may be issued. The HCHA may rescind the notice, if the family then calls to reschedule the appointment.

The HCHA may rescind a notice if the family offers to correct a breach in program requirements prior to the date of termination of assistance. The notice may not be rescinded if the family has a history of noncompliance. The notice will not be rescinded if assistance has terminated.

13.2.4 Procedures for Non citizens

[24 CFR 5.514, 5.516, 5.518]

13.2.5 Denial or Termination Due to Ineligible Immigrant Status

Applicants or participant families with neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. The HCHA must offer the family an opportunity for a hearing.

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

When the HCHA has clear, concrete, or substantial documentation, such as a permanent resident card or information from another agency, that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted, and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify his/her citizenship, the HCHA will offer an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend his/her status. The HCHA will then verify eligible status and deny, terminate, or prorate, as applicable.

13.2.6 False or Incomplete Information

The HCHA may deny or terminate the family's assistance, if it is apparent that the applicant or participant deliberately provided incomplete, false, or incorrect information.

Section 13.3.0 Procedure for Denial or Termination

If a family (or any member) claimed eligible immigrant status, and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the HCHA, either after the INS appeal or in lieu of the appeal with the INS.

After the HCHA has made a determination of ineligibility, the family will be notified of the determination; the reasons, and informed of the option for prorated assistance (if applicable).

The HCHA may deny or terminate the family's assistance, if it is apparent that the applicant or participant deliberately provided incomplete, false, or incorrect information.

13.3.1 Reasonable Accommodation

[24 CFR 982.552, 982.553]
If denial of admission, or termination of assistance, is based on behavior due to a disability, the HCHA will delay the denial or termination in order to determine if the problem could be corrected by reasonable accommodation. (For example, a visually impaired person fails to return information because the request for information was in writing. The HCHA then makes a reasonable accommodation, upon request, to call the person to tell him/her of the information that is needed).

However, a reasonable accommodation will not be granted if to do so would result in a fundamental alteration in the nature of the program, such as the prohibition of criminal acts, or the requirement to comply with the lease and the program's family obligations; nor will a reasonable accommodation be granted if the disabled person's action negatively impacted others.

13.3.2 Format for Denial/Termination Notices

Applicants and participants will be notified of denial or termination of assistance, in writing, and advised they will have 14 days from the date of the notice to request an informal review or hearing. The notices will contain the effective date of the action, the family's right to request an informal hearing or review, the deadline for the family's informal hearing/review request, a full explanation of the reason(s) for termination/denial, including a full description of crimes or actions of the family, and the sections of the Code of Federal Regulations that provide authority for the denial or termination of assistance. A request form will be provided for applicants or participants to request informal reviews or hearings.

If the HCHA proposes to terminate assistance for criminal activity based on a criminal record, the HCHA will allow the family to make an appointment to review a copy of the criminal record.

The HCHA will provide written notice of the contract termination to the owner to coincide with the termination of assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

13.3.3 Required Evidence

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability or a violation of family obligations, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids, arrest warrants, or an inspection of the unit for violations of family obligations.

If the HCHA determines, based on a preponderance of the evidence, that a household member, or guest, has engaged in prohibited criminal activity or violated family obligations, regardless of whether the household member or guest has been evicted, arrested, or convicted for the activity, the HCHA will terminate assistance.

The HCHA will pursue fact-finding efforts as needed to obtain credible evidence.

13.3.4 Termination of Contract or Lease

[24 CFR 982.311, 982.314]
The term of the HAP contract between the HCHA and the owner is the same as the term of the lease. The HCHA or the owner may terminate the contract, or the contract terminates upon owner or tenant termination of the lease.

The HCHA will terminate payments, on behalf of the family to the owner, upon contract termination. An owner must reimburse the HCHA for any subsidies paid after the contract termination.

If a family continues to occupy a unit after the contract is terminated, the family is responsible for the total amount of rent due to the owner.

After contract termination, if the family meets the criteria for a move with continued assistance, the family may lease in another unit.

13.3.5 Termination by the Family - Moves

[24 CFR 982.314(c)(2)]
Family termination of the lease must be in accordance with the terms of the lease. The family may not be eligible to transfer their assistance to another unit, depending on the circumstances of the termination of the lease.

13.3.6 Termination of Tenancy by the Owner - Evictions

[24 CFR 982.310, 982.455]
The owner is required by law, and under the lease, to provide a proper termination notice.

During the term of the lease, the owner may not terminate the tenancy, except for the grounds stated in HUD regulations.

During the initial term of the lease, the owner may terminate the lease for:

- Serious or repeated violations of the lease, including, but not limited to, failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease.
- Violations of federal, state or local law that imposes obligations on the tenant in connection with the occupancy, or use of the premises, or criminal activity by the tenant, any member of the household, a guest, or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises, or any drug-related criminal activity on or near the premises.
- Other good cause.

During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do (see CFR 982.310).

The HCHA will not be involved in termination of the lease, nor will advise the landlord or the tenant regarding the legal process. If the family is eligible to transfer, the HCHA staff will immediately issue transfer papers to the participant and act to expedite the transfer process.

13.3.7 Evidence of Criminal Activity

The owner may terminate family tenancy and evict by judicial action for criminal activity by a covered person, if the owner determines he/she has engaged in criminal activity:

- Regardless, of arrest or conviction.
- Without satisfying the standard proof used for criminal conviction.

13.3.8 Release of Sex Offender Registration Information or Criminal History Information to the Owner

The owner may request that the HCHA obtain and review criminal or sex offender registration records for grounds to deny a tenant application or evict a tenant. The HCHA will charge the owner a fee based on the costs incurred by the HCHA, including the costs charged by the law enforcement agency, the HCHA staff time, and administrative costs. The owner may not charge the tenant for this fee.

The HCHA must not release any criminal information or sex offender information to the owner, but a housing supervisor will review the information, and if no information relevant to application or eviction is found, will notify the owner. If information relevant to the application or eviction is found, the housing supervisor will present his/her findings in writing to the director who will authorize the findings and sign the letter issued to the owner. The letter will not specify the criminal or sex offender history, but will merely state that there may be cause for denial or eviction of the tenant. If the owner sends documentation that supports the need for specific information for an eviction, the director must approve the release of any information in accordance with the regulations.

[24 CFR 5.903, 24 CFR 5.905]

13.3.9 Termination of Tenancy Decision

The owner can decide whether to take an action against a tenant, if the law and the regulations permit. The circumstances to be considered by the owner include:

- The seriousness of the offense.
- The effect on the community.
- The extent of participation by household members.
- The demand for assisted housing by families who will adhere to responsibilities.
- The extent the tenant has taken personal responsibility.
- The extent the tenant has taken all reasonable steps to mitigate the offending action(s).
- The effect on the integrity of the program.

13.3.10 Exclusion of Culpable Household Member

The owner may require the tenant to remove a household member in order to continue to reside in the assisted unit.

13.3.11 Consideration of Rehabilitation

When determining whether to terminate the tenancy for illegal drug use, or alcohol abuse, the owner may consider whether the member:

- Is no longer engaged in the offending activities.
- Has successfully completed a supervised drug or alcohol rehabilitation program.
- Has otherwise been rehabilitated.

The owner may require the tenant to submit evidence of rehabilitation.

Actions of termination must be consistent with fair housing and equal opportunity laws as stated in 24 CFR 5.105.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. 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 should specify lease violations and cite some, or all, of the ways the tenant has violated the lease, as documentation for the HCHA's decision regarding termination of assistance.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, if the family is eligible for assistance, the HCHA must continue to make housing assistance payments to the owner until the tenant has moved or the owner has obtained a court judgment or otherwise evicted the tenant. By endorsing the monthly check from the HCHA, the owner certifies that the tenant is still in the unit, the rent is reasonable, and he/she is in compliance with the contract. Rental assistance cannot be paid if the unit has a HQS violation that is the owner's responsibility.

If the action is finalized in court, the owner will be asked to provide the HCHA with the documentation, including notice of the lockout date.

The HCHA may issue a new voucher to the family and process its transfer if the family is found to have been in compliance with the lease and all program requirements.

13.3.12 Termination of the Contract by the HCHA

[24 CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]
The HAP contract terminates when the lease terminates, the HCHA terminates program assistance for the family, or when the owner has breached the HAP contract.

The HCHA may also terminate the contract if:

- Funding is no longer available under the HUD Annual Contributions Contract.
- The contract will terminate automatically 180 days after the last housing assistance payment to the owner.

13.3.13 Notice of Termination

In most instances, the HCHA will terminate the contract the end of the month following the month the owner is issued a termination notice. However, the contract will terminate the end of the month the family vacates the unit and may terminate the end of the month that serious, life-threatening conditions are noted.

When the HCHA terminates a contract, transfer papers will be forwarded to an eligible family.

Section 13.4.0 Informal Meetings and Reviews

13.4.1 Preference Denials

When the HCHA denies a preference to an applicant, the family will be notified, in writing, of the specific reason for the denial and offered an opportunity for a meeting with the HCHA staff to discuss the reasons for the denial and to dispute the HCHA's decision.

The person who conducts the meeting will be:

The admissions supervisor or designee.

An employee of the HCHA, who is at or above the level of Analyst, but not the employee who made the decision.

13.4.2 Informal Review Procedures

[24 CFR 982.54(d)(12), 982.554]
Informal reviews, with one exception, are provided for applicants who are denied assistance before the effective date of the HAP contract. Informal reviews are intended to provide a "minimum hearing requirement" and need not be as elaborate as informal hearing requirements. Informal hearings are provided to applicants denied for citizenship or eligible immigrant status.

Upon HCHA determination of applicant ineligibility, the family must be notified in writing. The notice must contain:

1. The reason(s) the family is ineligible.
2. The procedure for requesting a review, if the applicant does not agree with the decision.
3. The deadline to request a review.

When denying admission for criminal activity as shown by a criminal record, the HCHA will allow the family to review the criminal record at the HCHA office upon family request.

The HCHA must provide applicants an opportunity for an informal review when they are denied for the following reasons:

- Denying listing on a HA waiting list.
- Denying or withdrawing a voucher.
- Refusing to enter into a HAP contract or approve a lease.
- Refusing to process or provide assistance under portability procedures.

Informal reviews for applicants are not required for established policies and procedures and HCHA determinations such as:

- Discretionary administrative determinations by the HCHA.
- General policy issues or class grievances.
- A determination of the family unit size under the HCHA subsidy standards.

- Refusal to extend or suspend a voucher.
- Refusal to grant approval of the tenancy.
- Determination that unit is not in compliance with HQS.
- Determination that unit is not in accordance with HQS due to family size or composition.

13.4.3 Notification of Review

The HCHA will ensure applicants receive all the rights afforded by laws and regulations. When the HCHA receives a request for an informal review, the informal review shall be scheduled within 30 days of receipt. The applicants will be advised of the time and date of the informal review and the right to submit oral or written objections to the HCHA decision.

13.4.4 Requests for Postponement

Requests for postponement will be granted only if there is evidence that indicates the postponement is necessary due to reasons beyond the control of the parties involved (hospitalization, auto accident, etc.). Verification of the reason(s) must be provided to the HCHA in writing and must cover the review date before a new review will be scheduled. A reasonable accommodation request must be provided in writing prior to the scheduled informal review.

13.4.5 Processing the Informal Review

A written request for an informal review must be received at the HCHA offices by the close of the business day, no later than fourteen days from the date of the HCHA's notification of denial of admission. The informal review will be scheduled within 30 days of the date the request is received.

Those involved in the decision under review, or their subordinates, may not conduct the informal review.

The review may be conducted by:

- A Housing Supervisor or above.
- An individual from outside the HCHA.

The applicant will be given the option of presenting oral or written objections to the decision. The HCHA and the family may present evidence and witnesses. An attorney or other representative may accompany the family at the family's 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 ten days after the review. It shall include the decision of the review officer and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

Section 13.5.0 Informal Hearings

[24 CFR 982.555(a-f), 982.54(d)(13)]
The HCHA must notify participants and applicants (for citizenship or eligible immigration issues), in writing, upon a decision regarding eligibility and/or the amount of assistance. The HCHA will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of the HCHA.
- The date the proposed action or decision will take place.
- The family's right to an explanation of the HCHA decision.
- The procedures to request a hearing, if the family disputes the action or decision.
- The deadline to request the hearing.
- Where the hearing request must be submitted.

When terminating assistance for criminal activity as shown by a criminal record, the HCHA will allow the participant to come into the office to view the alleged offender copies of the relevant criminal record(s). In addition, the termination notice will provide specific information on the criminal history discovered.

The HCHA must provide participants the opportunity for an informal hearing for decisions related to any of the following:

- Determination of the family's annual or adjusted income.
- The computation of the housing assistance payment.
- The utility allowance schedule used.
- Family unit size determination under HCHA subsidy standards.
- Termination of assistance for any reason.

Informal hearings are not required for established policies and procedures and HCHA determinations such as:

- Discretionary administrative determinations by the HCHA.
- General policy issues or class grievances.
- Establishment of the schedule of utility allowances for families on the program.
- Determination not to approve an extension or suspension of a voucher term.
- Determination not to approve a unit or lease.
- Determination not to grant an increase in Voucher size.
- Determination not to grant a reasonable accommodation.
- Determination not to approve additions to the household, including a live-in aide.
- Determination of owner violation of HQS (HCHA must provide a hearing for termination of assistance for a family breach of HQS).
- Determination that the unit is not in accordance with HQS, due to the size of the family.
- Determination to exercise, or not exercise, any right, or remedy against the owner under a HAP contract.

Section 13.6.0 Informal Hearing Procedures

13.6.1 Notification of the Hearing

It is the HCHA's objective to resolve disputes at the lowest level possible to avoid the most severe remedies. However, if this is not possible, the HCHA will ensure that applicants and participants receive all of the protections and rights afforded by the law and the regulations.

When the HCHA receives a request for an informal hearing, a hearing will be scheduled within 30 days. The notification of hearing will contain the following:

- The date and time of the hearing.
- The location of the hearing.
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense, providing the family notifies the HCHA at least seven (7) days in advance.
- The family's right to view any documents or evidence in the possession of the HCHA upon which the proposed action was based, providing the family requests the review at least seven (7) days in advance.
- A notice to the family stating the HCHA requires copies of any documents or evidence the family will use at the hearing.

13.6.2 Requests for Postponement

Requests for postponement will be granted only if there is evidence that indicates the postponement is necessary due to reasons beyond the control of the parties involved (hospitalization, auto accident, etc.). Verification of the reason(s) must be provided to the HCHA, in writing, and must cover the hearing date before a new hearing will be scheduled. A reasonable accommodation request must be provided in writing prior to the scheduled informal hearing.

After a hearing date is scheduled, the family may request to reschedule only upon showing "good cause," defined as: an unavoidable conflict that seriously affects the health, safety, or welfare of the family.

13.6.3 Processing the Informal Hearing

A written request for an informal hearing must be received at the HCHA offices by the close of the business day, no later than 14 days from the date of the notification of denial or termination of assistance. The informal hearing will be scheduled within 30 days of the date the request is received.

Informal hearings regarding rent calculations, utility allowances, and subsidy standard determinations, due to the specificity and/or complexity of these determinations, will be heard by an employee of the HCHA who is a Housing Specialist I or above and who was not involved in making the original determination, or a subordinate of that person. Informal hearings regarding this subject will be more informal than outlined below and may be done by telephone or in person.

Families may, during, or before the hearing:

- Present written or oral objections to the HCHA's determination. No sooner than seven (7) days after the date of the notice of informal hearing, and no later than seven (7) days prior to the hearing, request copies, at the family's expense, of any unprivileged documents in the file that are directly relevant, as determined by the HCHA, to the issues to be considered at the hearing which form the basis for the HCHA's action, and all documents submitted to the hearing officer.
- Present any information or witnesses pertinent to the issue of the hearing.
- Request that HCHA staff be available to answer questions pertinent to the case.
- Be represented by legal counsel, advocate, or other designated representative at his or her own expense.

In addition to other rights contained in this chapter, the HCHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing.
- Be notified if the family intends to be represented by legal counsel, advocate, or another party.
- Examine and copy any documents to be used by the family at least seven (7) days prior to the hearing.
- Have staff persons and other witnesses familiar with the case present.

With the exception of informal hearings regarding disputes concerning rent calculations, utility allowances, and subsidy standard determinations, the HCHA may appoint hearing officers who are:

- Professional mediators or arbitrators.
- Managers from other departments in Harford County Government.
- Managers from other HAs.
- HCHA management.
- HCHA Program Eligibility Analysts.
- HCHA Supervisors.

Hearing officers will never be anyone who was involved in making the original determination or that person's subordinate.

The informal hearing shall only concern relevant issues. Evidence presented will be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Documents or witnesses not provided to the HCHA at least seven (7) days in advance shall not be admitted without HCHA approval.

Witnesses not provided by the HCHA in advance shall not be admitted without the opposing party's approval.

The hearing officer may NOT request additional information, nor reconvene the hearing for a later date. The decision must be based solely on allowable pertinent evidence presented at time of the informal hearing.

The hearing officer will determine, based on allowable pertinent evidence and testimony, if the action, inaction, or decision of the HCHA is in accordance with HUD regulations and this plan. Factual determinations will be based on a preponderance of relevant allowable evidence.

A notice of the hearing findings, provided in writing to the HCHA and the family within twenty days, shall include:

- A clear summary of the decision and reasons for the decision.
- The effective date of the decision.

The HCHA is not bound by hearing decisions that:

- Do not require an informal hearing.
- Conflict with or contradict HUD requirements or regulations.
- Exceed the hearing officer's authority.
- Are overturned by the HCHA's director.

Within 30 days of the decision, the HCHA shall, send a letter to the participant, if it determines it is not bound by the hearing officer's determination. The letter shall include the HCHA decision.

All requests for an informal hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

Section 13.7.0 Hearing and Appeal Provisions for "Restrictions on Assistance to Noncitizens"

[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 under the United States Citizenship and Immigration Services (USCIS) appeal process.

Assistance to a family may not be terminated or denied while the HCHA hearing is pending, but assistance to an applicant may be delayed pending the HCHA hearing.

The notice of denial of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- For a participant, the criteria and procedures for obtaining relief is under the provisions for perseveration of families [24 CFR 5.514 and 5.518]
- The family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.

- That the family has a right to request an informal hearing with the HA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

13.7.1 Determination of Ineligibility

If a family member claims to be an eligible immigrant, and the USCIS SAVE system and manual search do not verify the claim, the HCHA must notify the applicant or participant, within ten days of his/her right to appeal to the USCIS within thirty days, or to request an informal hearing with the HCHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the USd5, it must give the HCHA a copy of the appeal and proof of mailing, or the HCHA may proceed to deny or terminate. The time period to request an appeal may be extended by the HCHA for good cause.

The request for a HCHA hearing must be made within fourteen days of the date of the notice offering the hearing or, if an appeal was made to the USd5, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, the HCHA will:

- Deny the applicant family.
- Defer termination of a participating family that qualifies for deferral.
- Terminate the participant, if the family does not qualify for deferral.

If there are eligible members in the family, the HCHA will offer to prorate assistance or give the family the option to remove the ineligible members.

Other matters related to eligible citizen/immigrant status include the following:

If any family member fails to provide documentation or certification as required by a regulation, that member is treated as ineligible. If all family members fail to provide documentation or certifications, the family will be denied, or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral, may not request a hearing, since they had an opportunity for a hearing prior to the deferral of termination.

Participants whose assistance is prorated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and total tenant payment.

Families denied or terminated for fraud in connection with the noncitizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

Section 13.8.0
Mitigating Circumstances for Applicants/Participants with Disabilities

[24 CFR 982.204, 982.552(c)]
When applicants are denied placement on the waiting list or program admission, or the HCHA is terminating assistance, the presence of a disability is considered a mitigating circumstance during the informal review or informal hearing process if the applicant did not respond to a request by the HA for information due to a disability.

However, the presence of a disability is never considered a mitigating factor for violations of the regulations, criminal activities, violations of the lease, or for violations of the requirements of program.

Chapter 14 Owner or Family Debts to the HCHA

[24 CFR 982.552]

Section 14.1.0 Introduction

This chapter describes the HCHA's policies for the recovery of monies overpaid to families and owners. In addition, this chapter outlines the collection methods and guidelines for the handling and collection of different types of debts. The HCHA's policy is to communicate program guidelines to owners and families so as to minimize HCHA overpayments. The HCHA clearly documents, in the tenant file, the amount and nature of owner or family debts, as well as the method of calculation. Owners and families may receive copies of all relevant documentation regarding their debts, upon request.

The HCHA will make every effort to collect delinquent family or owner debts. The HCHA will use a variety of collection tools to recover debts including, but not limited to, the following:

- Request for lump sum payments.
- Small claim or civil court actions.
- Payment agreements.
- Termination of family program participation.
- Reductions in HAP to owner.
- Abatements.
- Collection agencies.
- Referrals to the County Department of Revenue and Recovery.

14.1.2 Payment Agreements for Participating Families

[24 CFR 982.552 (c)(v-ii, 982.551)]
All adults in the household must sign the repayment agreement. A payment agreement or repayment agreement, as used in this plan, is a document entered into between the HCHA and a person who owes a debt to the HCHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the HCHA upon default of the agreement.

A family who fails to report an income increase within the 14-day reporting period is subject to a retroactive interim effective the first of the month following the income increase and collection of overpaid housing assistance. A family will be allowed to remain on the program and enter into a repayment agreement if there are no other issues, the unreported income was less than $5,000, and provided the family did not deliberately provide false, misleading, incomplete, or incorrect information to the HCHA.

If the HCHA offers a repayment agreement, it will determine the terms. The family may be offered a repayment agreement of up to 36 months, provided the family repays each month a minimum monthly payment of the greater of 10% of the family's gross monthly income or $50. The monthly payment amount for an elderly or disabled family with excessive medical deductions will be the greater of 10% of the family's adjusted monthly income or $40.

A family not current on repayment will be issued a 30-day notice of intended action to terminate assistance. If the family becomes delinquent more than three times, the repayment agreement will be considered in breach of the repayment agreement, and the HCHA will take action to terminate assistance.

A family may not move if they are not current on their repayment agreement. A family may not port to another HA until their debt has been repaid.

A family may not enter into more than one repayment agreement. The family may be allowed 30 days to pay the second debt in full.

14.1.3 Payment Agreements for Families No Longer on the Program

A family whose program participation has been terminated will be offered a repayment agreement. The repayment agreement will ask the family to repay their debt within 120 days, but a longer period of up to one year may be approved, upon request, when family circumstances make it difficult to honor a repayment agreement of a shorter duration. The director must approve a repayment period of more than one year.

A calculation of the estimated participant debt will be issued after assistance is terminated.

14.1.4 Debts Owed for Claims

[24 CFR 792.103, 982.552 (c)(v-vii)]

14.1.5 Delinquent Payments

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, and the family has not contacted or made arrangements with the HCHA, the HCHA will:

- Require the family to pay the balance in full.
- Pursue civil collection of the balance due.
- Terminate the housing assistance.

A transferring family, delinquent on its payment agreement, is required to pay the balance in full prior to the issuance of a voucher.

14.1.6 Debts Due to Misrepresentations/Not Reporting of Information

[24 CFR 982.163]
HUD's definition of program fraud and abuse is a single act, or pattern of actions, that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 Program funds in violation of Section 8 Program requirements.

14.1.7 Program Fraud

If a family owes money as a result of program fraud, the case may be referred for prosecution. The family's program participation will be terminated. The HCHA will set up an account for the family for the full amount of housing assistance payments issued from the time the family first committed fraud to the time the family's assistance was terminated.

14.1.8 Unauthorized Persons

A family found to have unauthorized persons residing in the subsidized unit will be required to repay all housing assistance payments issued during the time the unauthorized person(s) was/were residing in the subsidized unit. Receiving mail for an unauthorized occupant constitutes their residence in the unit.

14.1.9 Violation of Family Obligations

A family found to have violated their family obligations may be required to repay all housing assistance payments issued during the time the family was violating their family obligations.

14.1.10 Renting From a Relative

In instances where it is found the family rented from a relative without the required HCHA permission, or due to approval based on misrepresentation, an overpayment will be collected from both the owner and the participant - each party responsible for repayment of 50% of the HAPs paid.

14.1.11 Debts Due to Minimum Rent Temporary Hardship

Note: The HCHA's minimum rent is $50. If a zero minimum rent is established, this section will not apply.

If the family owes the HCHA money for rent arrearage incurred during the minimum rent period, the HCHA will calculate the total amount owed and divide it by three to arrive at a reasonable payback amount that the family will be required to pay to the HCHA monthly. The family will be required to pay the increased amount until the arrearage is paid in full.

If the family goes into default on the repayment agreement for back rent incurred during a minimum rent period, the HCHA will reevaluate the family's financial situation to determine if the family has the ability to pay the increased rent amount. If not, the existing repayment agreement will be restructured.

14.1.12 Owner Debts to the HCHA

[24 CFR 982.453(b)]
If the HCHA determines that the owner has retained housing assistance or claims payments the owner is not entitled to, the HCHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

When the landlord has been overpaid as a result of fraud, misrepresentation or violation of the HAP contract, the HCHA may terminate the HAP contracts, and arrange for restitution to the HCHA and/or family, as appropriate.

In instances where it is found the family rented from a relative without the required HCHA permission, or approval was based on misrepresentation, an overpayment will be collected from both the owner and the participant - each party responsible for repayment of 50% of the HAPs paid.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, the HCHA will seek one or more of the following remedies:

Require the owner to pay the amount in full within 30 days.
Pursue collections through collection agencies and/or the local court system.
Restrict the owner from future participation.

14.1.13 Writing Off Debts

The director may write off uncollectible debts. In determining whether a debt is uncollectible, the lack of success in collecting, along with the following factors will be considered:

- The debtor's whereabouts is unknown.
- The debt is more than one year old.
- The debtor is judgment proof.
- The debtor is deceased.
- The amount is less than $250.

The writing off of a debt does not remove the debtor's responsibility to repay, or the HCHA's ability to collect the monies owed. The HCHA will always deny program admission to an applicant who has failed to repay monies owed to any housing authority or owes any other federal debt.

Chapter 15
Special Housing Types, Special Programs, and Special Claims

[24 CFR 982.601, 24 CFR 982.625]

Section 15.1.0 Introduction

The Section 8 Program regulations allow assistance to be paid on behalf of special housing types. It is the intent of the HCHA to provide as great an opportunity as possible for affordable housing and wherever possible will allow assistance to be paid on behalf of permissible special housing types. This chapter describes the special housing types recognized by the HCHA and how these special housing types are handled. In addition, this chapter explains how the HCHA handles the homeownership, and project-based assistance options of the Housing Choice Voucher Program, as well as special claims allowed under its special programs.

The HCHA will not set aside any program funding for any special housing type. A family may choose to rent housing that qualifies as a special housing type, or to rent other eligible housing in accordance with requirements of the program.

Special Housing Types to Expand Affordable Housing Opportunities

The HCHA will consider requests for special housing types on a case-by-case basis. The HCHA is open to special housing types for all families, if their use will expand affordable housing opportunities. In all cases, the HCHA will authorize the use of special housing types as a reasonable accommodation to those with a disability, so that the program is readily accessible and usable.

The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M - Special Housing Types.

Section 15.2.0 Single Room Occupancy (SRO)

[24 CFR 982.602]
The HCHA will use a separate lease and housing assistance payment contract for each assisted person residing in a Single Room Occupancy (SRO) unit. [24 CFR 982.603]

SRO Rent and Housing Assistance Payment

[24 CFR 982.604]

Payment Standards

The HCHA SRO payment standard is seventy-five percent (75%) of the zero bedroom payment standard. For a person residing in an exception area, the payment standard is 75 percent of the HUD-approved zero bedroom exception payment standard amount. For all SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

Rent Reasonable

The rent must be rent reasonable in accordance with the rent reasonableness policies in this plan.

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 HCHA will ensure that all SRO units approved for the program are in compliance with all of the HQS for SROs as regulated in 24 CFR 982.605.

Section 15.3.0 Congregate Housing

[24 CFR 982.606]
Only an elderly person(s), or a person(s) with disabilities, may reside in a congregate housing unit. Other families are not eligible for this special housing type.

The HCHA may approve a family member or live-in aide to reside with the elderly person or person with disabilities.

The HCHA will approve a live-in aide if needed for an elderly person, or as a reasonable accommodation, so that the program is readily accessible to and usable by persons with disabilities.

Congregate Housing Lease and HAP Contract

[24 CFR 982.607]
Congregate housing requires a separate lease and HAP contract for each assisted family. The payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard, unless the participant has a live-in aide. However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one-bedroom payment standard amount. The HCHA will approve applications for congregate housing on a case-by-case basis. The HCHA may require the names of the unassisted household members, and may not approve the application for congregate housing if it is determined the living arrangement may result in a circumvention of the program regulations, such as in the case of unassisted household members who were barred from program participation.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

Rent Reasonable

The rent must be rent reasonable in accordance with the rent reasonableness policies in this plait

Housing Quality Standards

The HCHA 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.

Section 15.4.0 Group Homes

[24 CFR 982.610, 982.612]
A group home must be licensed, certified, or otherwise approved, in writing, by the state, or the state's licensing department. The license or certification must specify that the group home is for elderly persons or persons with disabilities.

An elderly person(s) or a person(s) with disabilities may reside in a state-approved group home. If approved by the HCHA, a live-in aide may reside with a person with disabilities. Other persons are not eligible to reside with the participant.

The HCHA must approve a live-in aide, if needed for an elderly person, or as a reasonable accommodation, so that the program is readily accessible to and usable by persons with disabilities. Except for live-in aides, all residents of a group home must be elderly persons or persons with disabilities.

The HCHA will not approve assistance for a person to live in a group home if documentation indicates that 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 aides.

Group Home Lease

[24 CFR 982.611]
A separate HAP contract and lease is required for each assisted person living in a group home. 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 HCHA approved live-in aide.

Group Home Rent

[24 CFR 982.613]
The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with CFR 982.507. In determining reasonable rent, the HCHA will consider whether sanitary facilities and facilities for food preparation and service are common or private.

Rent Reasonable

The rent must be rent reasonable in accordance with the rent reasonableness policies in this plan.

Maximum Subsidy

The family unit size is usually one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size, or the pro-rata portion of the payment standard amount on the HCHA 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.

Housing Quality Standards

The HCHA 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.

Section 15.5.0 Shared Housing

[24 CFR 982.615]

Occupancy

An assisted family may reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment.

The HCHA may approve a live-in aide to reside with a family in order to care for an elderly or near elderly person, or a person with a disability. The HCHA must approve a live-in aide, if needed as a reasonable accommodation, so that the program is readily accessible to and usable by persons with disabilities.

Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit, but may never be related to the family by blood or marriage unless the living situation warrants a reasonable accommodation.

The HCHA will approve applications for shared housing on a case-by-case basis. The HCHA may require the names of the unassisted household members, and will not approve the application for shared housing if it is determined the living arrangement may result in a circumvention of the program regulations, such as in the case of unassisted household members who were barred from program participation.

A resident owner may enter into a HAP contract with the HCHA. However, housing assistance may not be paid on behalf of an owner. A live-in aide may not be an owner.

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 ratio would be *3/5.* In this case, if the owner rents a five-bedroom house for $1,500, the assisted family's contract rent would be $900 (3/5 of the total rent).

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 standard Section 8 Program regulations in this plan.

If the family is renting a room or rooms from a resident owner, the rent for the rooms must be rent reasonable. The rents on comparable rooms for rent must be reviewed, as well as the prorated reasonable rent for a comparable unit.

Maximum Subsidy

The payment standard for a family who resides in a shared housing unit is the lower of the payment standard amount on the HCHA payment standard schedule or the pro-rata portion of the payment standard amount on the HCHA payment standard for the actual shared housing unit size. For example, if the family is in three bedrooms of a five-bedroom unit, a comparison will be made of the three-bedroom payment standard versus 3/5 of the five-bedroom payment standard. The HCHA will use as a payment standard the lower of the two.

If the HCHA approves a live-in aide, the live-in aide will be counted in determining the family unit size. The live in aide may <u>never</u> be the owner of the assisted unit.

Utility Allowance

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit. For example, if there are five bedrooms in a unit, and the family occupies three of the five bedrooms and pays for its share of the total utilities, 3/5 of the total five-bedroom utilities would be given to the family as a utility allowance deduction.

Housing Quality Standards

The HCHA 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.

A zero or one-bedroom unit is ineligible for shared housing. The housing unit must have an adequate number of bedrooms to house both the assisted and unassisted family, and the assisted family must have an adequate number of bedrooms so it is not overcrowded. Alternate sleeping areas will not be considered in shared housing.

Section 15.6.0 Cooperative Housing

[24 CFR 982.619]
The HCHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. The HCHA will not approve assistance for a family in cooperative housing until the HCHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with the Section 8 regulations in this plan. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility.

For a cooperative, rent adjustments are applied to the carrying charge similarly to regular Section 8 Program rent adjustments described in the rent reasonableness section of this plan.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 Program limitations on rent to owner. The housing assistance payment will be determined in accordance with the standard Section 8 Program guidelines in this plan.

The HCHA may approve a live-in aide to reside with the family to care for an elderly or near elderly person, or person with disabilities. The HCHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. If the HCHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

Housing Quality Standards

The HCHA will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in the Housing Quality Standards and Inspections chapter and regulated by 24 CFR 982.401.

Manufactured Homes

[24 CFR 982.620]
The HCHA will permit a family to lease a manufactured home and space with assistance under the program just as a house or apartment may be leased. The HCHA will provide assistance for a family who owns the manufactured home and leases only the space.

The HCHA may approve a live-in aide to reside with a family to care for an elderly or near elderly person, or a person with disabilities. The HCHA will approve a live-in aide if needed as a reasonable accommodation so the program is accessible to and usable by persons with disabilities. If the HCHA approves a live-in aide, the live-in aide must be counted when determining the family unit size. A live-in aide may never be an owner of the manufactured home or the park.

Housing Quality Standards

[24 CFR 982.621]
A manufactured home must meet all the HQS requirements outlined in the Housing Quality Standards and Inspections section of this plan and regulated by 24 CFR 982.401. In addition, the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.

Section 15.7.0 Manufactured Home Space Rental

[24 CFR 982.622]
Rent to owner for a manufactured home space will include payment for maintenance services the owner must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

Reasonable Rent

During the assisted tenancy, the rent to owner for a manufactured home space may not exceed a reasonable rent as determined by the HCHA.

The HCHA will not approve a lease for a manufactured home space until the HCHA has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, the HCHA will redetermine that the rent is reasonable.

The HCHA will determine whether the rent to the owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. The HCHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease. The HCHA will evaluate reasonable rent annually whether the rent has increased or not.

By accepting each monthly housing assistance payment from the HCHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the HCHA, the owner must provide the HCHA information on rents for other manufactured home spaces.

Payment Standard

The payment standard, based on the FMR, is used to calculate the monthly housing assistance payment for a family. The FMR for a manufactured home space rent is generally 40 percent of the published two-bedroom FMR.

Subsidy Calculation

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The gross rent for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment.

The space rent is the sum of the following as determined by the HCHA:

- Rent to owner for the manufactured home space;
- Owner maintenance and management charges for the space;
- The utility allowance for tenant paid utilities.

Utility Allowance Schedule for Manufactured Home Space Rental

[24 CFR 982.624]
The HCHA will establish utility allowances for manufactured home space rental. For the first twelve months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family, if the family actually incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family who leases a manufactured home space in place.

Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system. The HCHA has adopted separate utility allowances for water, sewer, and trash, but other utilities are the same for manufactured homes as for other housing types of the same size.

Section 15.8.0 Homeownership

[24 CFR 982.625]

Section 15.8.1 General

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. The HCHA has adopted the homeownership option although it may not be readily workable given the high cost of housing within the HCHA jurisdiction. The homeownership program will be administered as follows:

- The HCHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities or an elderly or near elderly person.
- The HCHA may limit homeownership to a maximum of ten searching families at any given time or suspend the program.
- The HCHA may provide homeownership assistance in the form of monthly payments or as a downpayment assistance grant. The HCHA will offer the form of assistance it determines to be the most beneficial to the family. A family may receive only one form of homeownership assistance. A family that includes a person who was an adult member of a family that previously received either form of homeownership assistance may not receive the other form of assistance from the HCHA.
- The HCHA will offer homeownership assistance only to those families who qualify under the guidelines and policies in this chapter and the regulations.

15.8.2 Eligibility Requirements

[24 CFR 982.627]
The family must meet all of the requirements listed below before the commencement of homeownership assistance.

The family must be eligible for the Housing Choice Voucher Program.

The family must qualify as a first-time homeowner or may be a cooperative member.

The family must meet the federal minimum income requirement. The family must have a gross annual income equal to the federal minimum wage multiplied by 2000, based upon the income of adult family members who will own the home. Unless the family is elderly or disabled, income from welfare assistance will not be counted toward this requirement.

The family must meet the federal minimum employment requirement.

At least one adult family member who will own the home must be currently employed full time and must have been continuously employed for one year prior to homeownership assistance.

HUD regulations define “full-time employment” as not less than an average of 30 hours per week.

A family member will be considered to have been continuously employed even if that family member has experienced a break in employment, provided that the break in employment:

- Did not occur within the last nine-month period immediately prior to the family's request to utilize the homeownership option.
- Did not last more than 21 days.
- Has been the only break in employment within the past twelve calendar months.

The federal minimum employment requirement does not apply to elderly or disabled families who must meet the minimum income requirement of the current monthly Supplemental Security Income benefit multiplied by 12.

In the case of an elderly or disabled family, welfare assistance payments for adult family members who will own the home will be included in the determination of the minimum income requirement.

Any family member who has previously defaulted on a mortgage obtained through the homeownership option is barred from receiving future homeownership assistance.

The HCHA will impose the following additional initial requirements:

- The family has had no family-caused violations of HUD's housing quality standards within the past year.
- The family is not within the initial term of the lease.
- The family does not owe money to the HCHA.
- The family has not committed any serious or repeated violations of a HCHA assisted lease within five years.
- The family has not had any arrests for violent or drug-related criminal activities during the past five years.

15.8.3 Ranking Preferences

Applications will be offered to eligible candidates in the following priority order with date and time of application the deciding factor among priority groups:

1. Upon request, Section 8 Program participants displaced from an assisted rental unit that is undergoing a condominium conversion, are pre-qualified for a loan to purchase their units, and who meet the Homeownership Program requirements are eligible for participation.
2. Upon request, Portability Homeownership participants who were found eligible for the Section 8 Homeownership program at the initial agency and the initial agency certifies they are porting as Homeownership participants and not porting for rental assistance.

3. Upon request, a family with a person with disabilities that has been prequalified for a loan, and identified a property in the jurisdiction of the HCHA that the family has sufficient resources to purchase.
4. Family Self-Sufficiency (FSS) Program participants who have not yet received full payout from the FSS escrow account at the time they completed the Qualification Questionnaire. Candidates who receive top ranking will be those who have the largest amount of money to apply to downpayment and closing costs, followed by those who have the highest annual income.
5. Housing Choice Voucher Program participants who will graduate from a training or educational course within the next six months and expect their annual earnings to increase within the next year. Candidates who receive top ranking will be those who have the largest amount of money to apply to downpayment and closing costs, followed by those who have the highest annual income.
6. Other Housing Choice Voucher Program participants who are prequalified for the purchase of a residence and have identified an eligible residence.

15.8.4 Homeownership Counseling Requirements

[24 CFR 982.630]
When the family has been determined eligible, they must attend and complete homeownership counseling sessions. HCHA staff or another counseling service will hold the counseling sessions. Such counseling shall be consistent with HUD approved housing counseling.

The following topics will be included in the homeownership counseling sessions:

- Home maintenance (including care of grounds).
- Budgeting and money management.
- Credit counseling.
- How to negotiate the purchase price of a home.
- How to obtain homeownership financing and loan approvals, including a description of types of financing that may be available and the pros and cons of different types of financing.
- How to find a home, including information regarding homeownership opportunities, schools, and transportation in the HCHA jurisdiction.
- The advantages to purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas.
- How to identify and avoid loans with oppressive terms and conditions.

15.8.5 Eligible Units

[24 CFR 982.628]

The unit must meet HUD's "Eligible Housing" requirements. The unit may not be any of the following:

- A public housing or Indian housing unit.
- A unit receiving Section 8 project-based assistance.

- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services.
- A college or other school dormitory.
- A penal, reformatory, medical, mental, or similar public or private institution.
- A manufactured home in a park, with the exception noted below.

The unit must meet all of the following requirements:

1. The unit must be existing or under construction at the time, the family enters into a contract of sale.
2. The unit is a one-unit property or a single dwelling unit (including a manufactured home) in a cooperative or condominium.
3. The unit may be a home where the family will not own fee title to the real property (such as a manufactured home) if the home has a permanent foundation and the family has the right to occupy the site for at least 40 years.
4. The unit has been inspected by the HCHA and by an independent inspector designated by the family.
5. The unit meets HQS.

The HCHA must not approve the seller of the unit if the HCHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation. The HCHA may disapprove the seller for any reason provided for disapproval of an owner in the Housing Choice Voucher Program.

15.8.6 HCHA Search and Purchase Requirements

[24 CFR 982.629]
The HCHA has established the maximum time that will be allowed for a family to locate and purchase a home. The HCHA may, at its discretion, allow a reasonable extension of the maximum time, if requested in writing with justification.

The family's deadline date for locating a home to purchase will be 210 calendar days from the date the family's eligibility for the homeownership option is determined.

The family must obtain financing for the home within 120 calendar days from the date the home was located.

The family must purchase the home within 270 calendar days from the date the home was located.

The HCHA will not require periodic reports on the family's progress in finding and purchasing a home.

If the family is unable to purchase a home within 270 days from the date the family's eligibility was determined, the HCHA will place the family's name on the Housing Choice Voucher Program waiting list. The HCHA may extend the deadlines for locating and purchasing a home upon request.

15.8.7 Inspection and Contract

[24 CFR 982.631]
The unit must meet HQS and must also be inspected by an independent professional inspector selected and paid by the family.

The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to, the following:

- Foundation and structure.
- Housing interior and exterior.
- Roofing.
- Plumbing, electrical, and heating systems.

The independent inspector must not be a HCHA employee or contractor. The HCHA will not require the family to use an independent inspector selected by the HCHA, but the inspector selected must hold credentials required by the lending industry. Copies of the independent inspection report will be provided to the family and the HCHA. Based upon the information in this report, the family and the HCHA will determine whether any pre-purchase repairs are necessary.

The HCHA may disapprove the unit for homeownership assistance based on information in the report.

The family must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to the HCHA. The contract of sale must specify the price and terms of sale and provide that the purchaser will arrange for a pre-purchase independent inspection of the home. The contract must also:

- State the purchaser is not obligated to buy the unit unless the inspection is satisfactory.
- State the purchaser is not obligated to pay for necessary repairs.
- Contain the seller's certification that he or she has not been debarred, suspended or subject to a limited denial of participation.

15.8.8 Financing

[24 CFR 982.632]
The family is responsible for securing financing. The HCHA has established financing requirements, listed below, and may disapprove proposed financing if the HCHA determines that the debt is unaffordable.

The HCHA will, on the primary loan, prohibit the following forms of financing:

- Balloon payment mortgages.
- Variable interest rate loans.
- Adjustable interest rate loans.

The above restrictions do not apply to secondary financing offered through public first-time homebuyer closing costs and downpayment assistance programs.

The HCHA requires a minimum cash downpayment of one percent (1%) of the purchase price to be paid from the family's own resources. The total downpayment must be at least three percent (3%) of the purchase price.

Closing costs must be reasonable when compared to the standard industry practices of major reputable lenders backed by FannieMae or Freddie Mac.

A participating homeownership family may not refinance for an amount greater than the current loan balance, and the loan is subject to the aforementioned restrictions.

15.8.9 Downpayment Assistance Grants

[24 CFR 982.643]
The HCHA may not offer the downpayment assistance grant option until HUD publishes a notice in the Federal Register announcing that appropriated funds are available.

The HCHA may provide the alternate mutually exclusive option of a single downpayment assistance grant for an eligible homeownership participant. The family who is given this option is no longer eligible for assistance when this option is utilized.

Most of the regulations governing monthly homeownership assistance apply to downpayment assistance grants. However, families receiving these grants are not subject to the regulations concerning continued assistance, family obligations, the maximum term of assistance, amount, and distribution of payments, or moves with continued assistance.

Eligibility for downpayment assistance is limited to current participants in the Housing Choice Voucher Program. The maximum downpayment assistance grant is the HCHA's payment standard minus the TTP multiplied by 12.

Downpayment assistance must be applied to the downpayment for the purchase of the home. The HCHA may allow the grant to be applied to reasonable and customary closing costs as defined by the HCHA and based on standard industry lending practices. The closing costs on an FHA loan are subject to FHA requirements.

The downpayment assistance grant may be applied to the downpayment for the home and the following closing costs:

- Loan origination fees.
- Credit report fees.
- Escrow fees.
- Title insurance fees.
- Recording fees.
- Appraisal reports.

The downpayment assistance grant shall be paid at the closing of a purchase of a home.

A family who had received a downpayment assistance grant may apply to the waiting list and receive tenant-based rental assistance, in accordance with program requirements and HCHA policies. However, the HCHA may not commence tenant-based rental assistance so long as any member of the family owns any title or other interest in the home purchased with homeownership assistance. In addition, eighteen months must have passed since the family's receipt of the downpayment assistance grant.

15.8.10 Continued Assistance

[24 CFR 982.633]
Homeownership assistance will only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month the family moves out.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551(h) and (i).
- The family must also supply information to the HCHA or HUD as specified in CFR 982.551(b). The family must further supply any information required by the HCHA or HUD concerning mortgage financing or refinancing, sale, or transfer of any interest in the home, or ownership expenses.
- The family must notify the HCHA before moving out of the home.
- The family must notify the HCHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- The payment standard will be increased when the applicable payment standard increases, but the payment standard will never be less than the payment standard at the time of home purchase.
- Families are subject to annual and interim examinations in accordance with the policies elsewhere in this plan.
- No annual HQS inspections are conducted. Special HQS inspections may be conducted if there is information indicating the unit is violating HQS.
- Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

15.8.11 Maximum Term of Homeownership Assistance

[24 CFR 982.634]
Except in the case of elderly or disabled families, the maximum term of homeownership assistance is 15 years, if the initial mortgage term is 20 years or longer, and 10 years in all other cases.

The elderly exception only applies if the family is qualified as elderly at the start of homeownership assistance. The disabled exception applies if, at any time during receipt of homeownership assistance, the family qualifies as disabled.

If the family ceases to qualify as elderly or disabled during the course of homeownership assistance, the maximum term becomes applicable from the date assistance commenced. However, such a family must be afforded at least six months of homeownership assistance after the maximum term becomes applicable.

If the family receives homeownership assistance for different homes, or from different HAs, the maximum term limitations apply.

15.8.12 Homeownership Assistance Payments and Homeownership Expenses

[24 CFR 982.635]
The monthly homeownership assistance payment is the lower of the voucher payment standard minus the total tenant payment or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, the HCHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as for its Section 8 Rental Assistance Program. However, the payment standard may never be below the payment standard applicable at the time of home purchase.

The HCHA will pay the homeownership assistance payment directly to the lender.

Some homeownership expenses are allowances or standards determined by the HCHA in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based upon the condition of the home.

Homeownership expenses include the following:

- Principal and interest on mortgage debt.
- Maintenance and major repairs expenses calculated at $1 per square foot of the residence; for example, annual maintenance expenses for a 1,500 square foot home would be $1,500.
- Mortgage insurance premium.
- Taxes and insurance.
- The HCHA utility allowance used for the Housing Choice Voucher Program. If the home is a cooperative or condominium, expenses also include operating expenses or maintenance fees assessed by the homeowners' association.

Annual expenses are calculated and then divided by 12 to calculate monthly homeownership expenses.

15.8.13 Portability

[24 CFR 982.636, 982.353(b) and (c), 982.552, 982.553]
Subject to the restrictions on portability included in HUD regulations and this plan, the family may exercise portability if the receiving HA is administering a Housing Choice Voucher Homeownership Program and accepting new homeownership families.

The receiving HA may absorb the family into its program or bill the initial HA. The receiving HA arranges for housing counseling, and the receiving HAs homeownership policies apply.

The HCHA will accept incoming portables into its Homeownership Program so long as they are identified as Homeownership participants by the initial HA and they are porting for the sole purpose of home purchase.

15.8.14 Moving With Continued Assistance

[24 CFR 982.637]
A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with Housing Choice Voucher rental assistance or with Housing Choice Voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

The HCHA will deny permission to move with continued rental or homeownership assistance, if the HCHA determines that it does not have sufficient funding to provide continued assistance.

The HCHA will require the family to complete additional homeownership counseling prior to moving to a new unit with continued assistance under the homeownership option.

15.8.15 Denial or Termination of Assistance

[24 CFR 982.638]
Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher Program contained in this plan. However, the provisions of CFR 982.551 (c) through (j) are not applicable to homeownership. The provisions not applicable are:

c. HQS Breach caused by the family.
d. Allowing HA inspection.
e. Violation of the Lease.
f. Family notice of move or lease termination.
g. Owner eviction notice.
h. Use and occupancy of the unit.
i. Absence from unit.
j. Interest in unit.

The HCHA will terminate homeownership assistance if the family is dispossessed due to a judgment or order of foreclosure.

The HCHA will permit such a family to move with continued voucher rental assistance. However, rental assistance will be denied if the family defaulted on an FHA-insured mortgage, and the HCHA will not permit such a family to move with voucher rental assistance if the family fails to demonstrate that the family conveyed title to the home as required by HUD, and the family moved within the period required by HUD.

The HCHA will terminate homeownership assistance if the family violates any of the family obligations contained in this section, this plan, or the regulations.

The HCHA will terminate homeownership assistance if the family violates any of the following family obligations:

- Transfer or conveyance of ownership of the home.
- Providing requested information to the HCHA or HUD.
- Notifying the HCHA before moving out of the home.

15.8.16 Recapture of Homeownership Assistance

There will be no recapture of homeownership assistance.

Harford County Housing Choice Voucher holders have encountered a number of obstacles in their search for rental housing that qualifies for tenant-based rental assistance. The rental market, for several years, has reacted to the economic laws of supply and demand to the detriment of renters. For some time, supply has not kept up with demand, resulting in low vacancy rates and inflating rents. Due to these factors, depending on market conditions, landlords may be reluctant to participate in a program that assists low-income households, particularly when some program participants have a history of delinquent bills and evictions. When a landlord looks at two applications, one that reflects a negative history (credit, rental, or employment) and the other a positive history, the landlord will usually choose the latter.

The HCHA has found that many of those with a less than perfect credit and rental history never use the vouchers issued to them. This failure to assist those who need help the most has resulted in both a loss of time and effort by the HCHA and the anger and frustration of those unsuccessful in utilizing their vouchers. In order to improve the success rate of those least likely to be successful in a tenant-based rental assistance program, the HCHA has determined it may be necessary to allocate its vouchers to project-based assistance.

15.8.17 Project Selection Process

The HCHA may advertise to accept applications from owners, of rental housing developments who are interested in receiving project-based Section 8 vouchers for at least 20 percent for mixed family developments, and up to 100 percent of the units in elderly and/or disabled developments; or developments providing family self- sufficiency or other supportive services for alcohol and/or drug recovery. This federal Section 8 housing subsidy program will attach rental assistance directly to a specific unit or project for a term of up to ten years.

The highest priority will be given to proposals with existing housing and those willing to commit to a ten-year contract. The project must comply with the above general Section 8 and all other requirements in the regulations.

15.8.18 Application Requirements

Narrative written response to the evaluation criteria.

Description per unit of unit rent, type, size, age, condition, amenities, and the utilities, services and appliances included in the rent.

Comparable rent information for at least three comparable unassisted units.

Gross rents must be rent reasonable and not exceed 110 percent of the applicable published area Fair Market Rents.

Applications will be evaluated, based upon responsiveness to the following criteria:

- Site and design of existing project. Is the site and design of the project adequate and suitable for the number of units, and is the location of the project accessible to public and private social, recreational, educational, commercial, and health facilities and services, including employment and public transportation?
- Extent to which the project contributes to the geographic distribution of affordable housing throughout Harford County, promotes deconcentration of poverty, and furthers fair housing objectives.
- Priority will be given to existing units that are attractive, in good condition, and exceed housing quality standards.
- Only vacant units are eligible for the program.

Section 15.9.0 Program Administration

15.9.1 Inspection of Projects and Units

Project must be inspected for conformance with Section 8 housing quality standards (HQS) prior to the execution of the contract with the project owner or designee.

A copy of an inspection by a certified independent inspector performed within the previous three months must be provided to the HCHA prior to execution of the contract. Corrections to HCHA identified deficiencies, including those noted on either the housing quality standards or the independent inspection must be completed prior to execution of the contract.

Individual units must be inspected prior to approval of a tenant lease and the commencement of project-based assistance for that unit.

A random inspection of at least ten percent of the units must be performed annually.

15.9.2 Maintenance of Projects

The project and/or individual units are subject to special inspections for quality control purposes, or in response to a request and/or complaint.

Project must be maintained in conformance with Section 8 Program housing quality standards (HQS).

Occupants of assisted units may be required to make repairs to correct violations in HQS that were caused by tenant abuse or neglect.

Project must be in compliance with all relevant federal, state and local laws, as well as all zoning and other regulatory requirements.

Taxes, fees, assessments, insurance, mortgages, or any other debts related to the projects must be kept current.

The project must be maintained in accordance with the provisions of the contract.

Project owners must take prompt action against residents engaging in illegal activities on the premises.

The contract will be a HUD standard contract, if available. If not available, the contract will be based on contracts currently in use by other public housing agencies and must include the following:

- The contract must state the remedies for noncompliance with the contract.
- The contract must state the term.
- The contract must contain provisions for termination by either party.
- The contract must allow for termination by the HCHA if funding becomes unavailable.
- The contract must state the duties and responsibilities of all parties.
- The contract must state that the owner may request a rent adjustment once a year unless extraordinary additional expenses warrant a special rent adjustment.

The HAP contract may be renewed for terms of up to five years. However, the initial term, plus all subsequent extensions, cannot in aggregate exceed 15 years.

In addition, the contract may have a provision for contract extensions.

15.9.3 Waiting List

Separate waiting lists may be maintained for project-based assistance.

In-place tenants will be given an absolute preference for selection from the HCHA's waiting list for the project. A preference may be given for services offered at a particular project, and a preference may be given to persons with disabilities whose disabilities significantly interfere with their ability to obtain and maintain themselves in housing; who, without such services will not in the future be able to maintain themselves in housing; and for whom such services cannot be provided in a non-segregated community. Disabled residents cannot be required to accept services being offered. The project may be advertised as being for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from the services being offered.

If the HCHA determines a need for separate waiting lists, all those on the regular Section 8 Housing Choice Voucher Program waiting list will be notified, and given the opportunity to place their names on the project-based waiting lists.

Families will be selected from the waiting list in accordance with HCHA-established selection preferences.

Families selected from the waiting list will be processed for eligibility in conformance with the regulations and the HCHA Section 8 Administrative Plan.

Families must meet income-targeting guidelines in place at the time of selection from the waiting list.

Families denied admission to the project will be returned to the waiting list, if eligible, with the appropriate selection preferences and original date and time of application.

15.9.4 Vacancies

If included in the contract, projects are eligible for up to sixty days vacancy loss, upon request, providing all appropriate measures are taken to fill the vacancies.

The HCHA may reduce the number of units under the contract if the units remain vacant for 120 days.

15.9.5 Assistance

Assistance will be paid on behalf of eligible families in eligible project-based units. Assistance will be the difference between 30% of the family's monthly adjusted income and the lower of either the gross rent or the applicable payment standard.

A Project owner cannot be the spouse of an assisted family member or a relative as defined in the regulations for the HCV Program.

15.9.6 Initial, Annual, and Ongoing Activities

All Families:

- Annual eligibility determination of all families in units receiving project-based assistance.
- Annual review of progress families are achieving in meeting educational, job training, and/or employment goals established at the time of initial eligibility.
- Annual random inspections of at least ten percent of the project-based units.

All activities, unless indicated otherwise, or superseded by the regulations, will be in conformance with the Administrative Plan.

Families may request tenant-based Housing Choice Vouchers after one year. At that time, the next available tenant-based Housing Choice Vouchers, or other assistance, such as HOME tenant-based rental assistance, will be offered to eligible families.

Rent adjustments to the owner may be processed once a year provided the new rent is rent reasonable and the owner gives at least a 60-day advance notice to the tenant(s) and the HCHA.

No special rent adjustments will be allowed.

Glossary

Acronyms Used In Subsidized Housing

ACC	Annual Contributions Contract
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as "the regulations." The CFR is the compilation of Federal rules first published in the Federal Register to define and implement a statute.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
ELI	Extremely low income
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FmHA	Farmers Home Administration
FMR	Fair Market Rent
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Has been replaced by the term Total Tenant Payment (TTP).
GR	Gross Rent
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Payment Plan
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards

HUD	Department of Housing and Urban Development or its designee.
HURRA	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, and rent calculations.
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Account
KDHAP	Katrina Housing Disaster Assistance Program
MOD REHAB	Moderate Rehabilitation Program
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PHA	Public Housing Agency
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QC	Quality Control
RFTA	Request for Tenancy Approval
RFP	Request for Proposal
RRP	Rental Rehabilitation Program
SRO	Single Room Occupancy
SSMA	Standard Statistical Metropolitan Area. Has been replaced by MSA (Metropolitan Statistical Area).
TR	Tenant Rent
TTP	Total Tenant Payment

UA	Utility Allowance
URP	Utility Reimbursement Payment
USCIS	United States Citizen and Immigration Services
VAWA	Violence Against Women Act

Glossary of Terms in Subsidized Housing

1937 ACT. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

ADMINISTRATIVE PLAN. The HUD required written policy of the PHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD as a supporting document to the PHA Plan.

ABSORPTION. In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA's consolidated ACC.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE"). Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

ADA. Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

ADJUSTED INCOME. Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE. Fee paid by HUD to the PHA for administration of the program.

ADMINISTRATIVE FEE RESERVE (FORMERLY "OPERATING RESERVE"). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

ADMISSION. The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

ANNUAL BUDGET AUTHORITY. The maximum annual payment by HUD to a PHA for a funding increment.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a PHA. Under the contract, HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

ANNUAL INCOME. The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less 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. Includes tenants receiving rent supplements, Rental Assistance Payments, or Section 8 assistance, and all other 236 and 221(d) (3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

AUXILIARY AIDS. Refers to services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance. Auxiliary aids for persons with impaired vision may include readers, Brailed materials, audio recordings, and other similar services and devices. Auxiliary aids for persons with impaired hearing may include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDDY), interpreters, note takers, written materials, and other similar services and devices.

BUDGET AUTHORITY. An amount authorized and appropriated by Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable an adult family member to be employed, actively seek work, or to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the head of household. (A family never has a co-head and a spouse, and a co-head is never a dependent).

COMMON SPACE. In shared housing: Space available for use by the assisted family and other occupants of the unit.

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

CONTIGUOUS MSA. In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program (HCV??).

CONTRACT. (See Housing Assistance Payments Contract.)

COOPERATIVE. Includes mutual housing. Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing. A special housing type. See 24 CFR 982.619. A cooperative also is defined as 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.

COVERED FAMILIES. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

DEPENDENT. A member of the family's household (excluding foster children) other than the family head or spouse, or co-head, who is under 18 years of age or is a disabled person or handicapped person, or is a fulltime student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE. Anticipated costs for care attendants and auxiliary apparatus for disabled family members to enable a family member (including the disabled family member) to work.

DISABLED FAMILY. A family whose head, or spouse, or sole member (head), is a person with disabilities. The term "disabled family" may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more persons determined to be essential to the care or well-being of the person or persons with disabilities (live-in aides). A disabled family may include persons with disabilities who are elderly.

DISABLED PERSON. See Person with Disabilities.

DISPLACED PERSON/FAMILY. A person or family displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with state and local law.

DRUG-RELATED CRIMINAL ACTIVITY. The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).

DRUG TRAFFICKING. The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

ECONOMIC SELF-SUFFICIENCY PROGRAM. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families or to provide work for such families. May include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603 (c).

ELDERLY FAMILY. A family whose head, spouse, or sole member (head) is a person who is an elderly person (at least 62 years of age). The term "elderly family" includes 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. An elderly family may include elderly persons with disabilities and non elderly family members.

ELDERLY HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age. The term "elderly family" may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and well-being.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBILITY INCOME. May 10, 1984, regulations deleted eligibility income, per se, because Annual Income is now used for eligibility determination to compare to income limits.

ELIGIBLE FAMILY. (Family). A family is defined by the PHA in the Administrative Plan approved by HUD.

EXCEPTIONAL MEDICAL OR OTHER EXPENSES. Prior to the regulation change in 1982, this meant medical and/or unusual expenses, which exceeded 25% of the annual income, as defined in Part 889. It is no longer used.

EXCEPTION RENT. In the pre-merger certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. See FMR/Exception rent.

EXCESS MEDICAL EXPENSES. Any medical expenses, which are not reimbursable from any other source, incurred by elderly or disabled families in excess of 3% of annual income.

EXTREMELY LOW-INCOME FAMILY. A family whose annual income does not exceed 30% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30% of median income if HUD finds such variations are necessary due to unusually high or low family incomes.

FAIR HOUSING ACT. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.)

FAIR MARKET RENT (FMR). The rent including the cost of utilities (except for telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the Federal Register.

FAMILY. "Family" includes but is not limited to:

- A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- An elderly family;
- A near-elderly family;
- A displaced family;
- The remaining member of a tenant family; and
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

("Family" can be further defined by a PHA).

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service person" when:

> The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless he/she was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided the family contains one or more persons for whose support he/she is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided that he/she was a family member at the time of hospitalization and there remains in the family at least two related persons.

FAMILY RENT TO OWNER. In the Housing Choice Voucher Program, the portion of the rent to owner paid by the family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by a PHA to promote self sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE. The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a family, as determined by a PHA under the PHA's subsidy standards.

FMR/EXCEPTION RENT. The fair market rent published by HUD headquarters. In the pre-merger certificate program, the initial contract rent for a dwelling unit plus any utility allowance could not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the Housing Choice Voucher Program, a PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State to administer payments for the care of foster children.

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

FUNDING INCREMENT. Each commitment of budget authority by HUD to a PHA under the annual consolidated contributions contract for the PHA's Housing Choice Voucher program.

GROSS FAMILY CONTRIBUTION. This was changed to Total Tenant Payment.

GROSS RENT. The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

GROUP HOME. A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including a live-in aide, if applicable).

HANDICAP. Any condition or characteristic that renders a person, an individual with handicaps.

HAP CONTRACT. (See Housing Assistance Payments Contract.)

HEAD OF HOUSEHOLD. The person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOUSING AGENCY. A state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT. The monthly assistance payment by a PHA. The total assistance payment consists of:

> A payment to the owner for rent to owner under the family's lease.
>
> An additional payment, to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP Contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PLAN. (1) A housing assistance plan submitted by a local government participating in the Community Development Block Program as part of the

block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A housing assistance plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD. The Department of Housing and Urban Development.

HUD REQUIREMENTS. (HUD requirements for the Section 8 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 times total cash value of assets. Calculation used when assets exceed $5,000.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual Income.

INDIAN. Any person recognized as an Indian or Alaska native by an Indian tribe, the Federal government, or any state.

INDIAN HOUSING AUTHORITY (IHA). A housing agency established either by exercise of the power of self government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

INDIVIDUAL WITH HANDICAPS. Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

INITIAL PHA. In portability, the term refers to both:

> A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
>
> A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD. The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER. The rent to owner at the beginning of the HAP contract term.

INTEREST REDUCTION SUBSIDIES. The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221(d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

JURISDICTION. The area in which the PHA has authority under State and local law to administer the program.

LANDLORD. Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LARGE VERY LOW-INCOME FAMILY. Prior to the 1982 regulations, this meant a very low-income family which included six or more minors. This term is no longer used.

LEASE. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative, and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LEASE ADDENDUM. For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person; is not obligated for the support of the person, and would not be living in the unit except to provide necessary support services.

LOCAL PREFERENCE. A preference used by the PHA to select among applicant families.

LOW-INCOME FAMILY. A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low-income families.

MAJOR LIFE ACTIVITIES. The term is related to an individual with handicaps and refers to functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

MANUFACTURED HOME. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets HQS. A special housing type. (See 24 CFR 982.620 and 982.621).

MANUFACTURED HOME SPACE. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. (See 24 CFR 982.622 to 982.624).

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multifamily housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 30% of Annual Income.

MERGER DATE. October 1, 1999, was the date the Voucher and Certificate programs began to be converted to the Housing Choice Voucher Program.

MINOR. A member who is under 18 years of age of the family household (excluding foster children) other than the family head or spouse.

MIXED FAMILY. A family with citizens and those with eligible immigration status and without citizens and those with eligible immigration status as defined in 24 CFR5.504(b)(3).

MODERATE REHABILITATION PROGRAM. A project-based rental assistance program in which private rental property owners receive loans to rehabilitate their rental units and then set aside these units under low-term contracts to provide assisted rental housing for low-income families.

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

MUTUAL HOUSING. Included in the definition of Cooperative.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62. The family may include: two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more live-in aides.

NEGATIVE RENT. Now called Utility Reimbursement. A negative tenant rent results in a Utility Reimbursement Payment (URP).

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NET FAMILY CONTRIBUTION. Former name for Tenant Rent.

NON-CITIZEN. A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS (now referred to as Subsidy Standards). Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

OWNER. Any person or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT. A family that has been admitted to the PHA's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

PAYMENT STANDARD. The maximum monthly assistance payment for a family assisted in the Housing Choice Voucher Program (before deducting the total tenant payment by the family).

PERSON WITH DISABILITIES. A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means an "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes).

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with 24 CFR 903.

PORTABILITY. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

PREMISES. The building or complex in which the dwelling unit is located, including common areas and grounds.

PRIVATE SPACE. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PROCESSING ENTITY. Entity responsible for making eligibility determinations and for income reexaminations. In the Section 8 Program, the "processing entity" is the "responsible entity."

PROGRAM. The Section 8 tenant-based assistance program under 24 CFR Part 982.

PROGRAM RECEIPTS. HUD payments to the PFIA under the consolidated ACC and any other amounts received by the PHA in connection with the program.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). PHA includes any State, county, municipality or other governmental entity or public body that is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

A consortia of housing agencies, each of which meets the qualifications in the first paragraph of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members);

> Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
>
> For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a 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.

REGULAR TENANCY. In the pre-merger Certificate program: A tenancy other than an over-FMR tenancy. This program no longer exists

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

RESIDENCY PREFERENCE. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (“residency preference area”).

RESIDENCY PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESIDENT ASSISTANT. A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or wellbeing. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

RESPONSIBLE ENTITY. For the public housing and Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SECRETARY. The Secretary of Housing and Urban Development. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437fl).

SECURITY DEPOSIT. A dollar amount to be paid by a tenant to a landlord and to be applied to unpaid rent, damages, or other amounts to the owner under the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

SHARED HOUSING. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type.

SINGLE PERSON. A person living alone or intending to live alone.

SPECIAL ADMISSION. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES. See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

SPECIFIED WELFARE BENEFIT REDUCTION. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

SPOUSE. The husband or wife of the head of the household.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974; or

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency; or

A Public Housing Project.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUBSTANDARD UNIT. Substandard housing is defined by HUD for use as a federal preference.

SUSPENSION/TOLLING. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions and how the PHA determines the length of any extension or suspension.

TENANCY ADDENDUM. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

TENANT. The person or persons (other than a live in aide) who execute the lease as lessee of the dwelling unit.

TENANT RENT. The amount payable monthly by the family as rent to the unit owner (Section 8 owner or PHA in public housing). For a tenancy in the pre-merger Certificate program, tenant rent equals the total tenant payment minus any utility allowance.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

UNIT. Residential space for the private use of a family.

UNUSUAL EXPENSES. Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, stove, trash collection, and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. If the cost of utilities for water, sewer, gas, and electricity and including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent, but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

UTILITY REIMBURSEMENT. In the Housing Choice Voucher Program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

UTILITY REIMBURSEMENT PAYMENT. In the pre-merger Certificate program, the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VACANCY LOSS PAYMENTS. (For pre-merger Certificate program contracts effective prior to 10/2/95.) When a family vacates its unit in violation of its lease, the owner is eligible for 0% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if he/she notifies the PHA as soon as he/she learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations, this was described as a lower-income family which included eight or more minors. This term is no longer used.

VERY LOW INCOME FAMILY. A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the pre-merger Certificate and Housing Choice Voucher Programs.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released 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 likely to cause, serious bodily injury or property damage.

VOUCHER (rental voucher). A document issued by a PHA to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

VOUCHER HOLDER. A family holding an active voucher that has not yet expired (search time).

VOUCHER PROGRAM. The Housing Choice Voucher Program.

WAITING LIST. A list of families organized according to HUD regulations and PHA policy waiting for a subsidy to become available.

WAITING LIST ADMISSION. An admission from the PHA waiting list.

WELFARE ASSISTANCE. Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care, or other services for working families. For the Family Self Sufficiency Program (984.103(b)), "welfare assistance" includes only cash maintenance payments from Federal or State programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

WELFARE RENT. This concept is used ONLY for pre-merger Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Choice Voucher Program.

> If the agency does NOT apply a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.
>
> If the agency applies a ratable reduction, welfare rent is a percentage of the maximum the agency could allow.

WELFARE-TO-WORK (WTW) FAMILIES. Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

Glossary of Terms Used In the Noncitizens Rule

CHILD. A member of the family who is under 18 years of age other than the family head or spouse.

CITIZEN. A citizen or national of the United States.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS. The documents which must be submitted as evidence of citizenship or eligible immigration status.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN. A person who is neither a citizen nor national of the United States.

PHA. A housing authority that operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

SECTION 504 OF THE REHABILITATION ACT OF 1973. As amended, states that no otherwise qualified individual with handicaps shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under any program or activity receiving Federal financial assistance from HUD. Compliance requires accessibility by physically handicapped persons.

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not include boyfriends, girlfriends, significant others, or “co-heads.” “Co-head” is a term recognized by some HUD programs, but not by Public and Indian Housing Program.

Appendix 1 (Effective 6/18/12)

Federal Rules and Local Policies Affecting Individuals with Criminal Histories

I. GENERAL PROVISIONS

(1) Definitions [24 CFR §5100 and §982.41]

HCHA: Harford County Housing Agency.

Drug-related criminal activity: The illegal manufacture, sale, distribution or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug. [24 CFR §5.100]

Violent criminal activity: Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

PHA: Public housing agency, including a public housing authority.

Family: A group of persons, as determined by the PHA, approved to reside in a unit with assistance under the program.

Household is used interchangeably with *family.*

(2) Evidentiary Standard [24 CFR §982.553(c)]

HUD authorizes PHAs to deny or terminate assistance for an activity based on a preponderance of the evidence, regardless of whether the person has been arrested or convicted for such activity.

HCHA defines a preponderance of the evidence as evidence which, as a whole, shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

(3) Consideration of Circumstances [24 CFR §982.552(c)(2)(i)]

In cases where HUD does not specifically require denial or termination, HUD authorizes PHAs to consider all relevant circumstances when determining whether to deny or terminate assistance. Relevant circumstances can include the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to disability, and the effects of denial or termination on non-culpable family members.

Under HUD regulations, if the family includes a person with a disability, PHA decisions regarding denial or termination are subject to reasonable accommodation requirements.

HCHA, where possible, has discretion (but is not required) to take relevant circumstances into consideration. HCHA complies with reasonable accommodation requirements.

(4) Assistance with Conditions to Non-Culpable Family Members (24 CFR §982.552(c)(2)(ii)]

In cases of denial or termination, HUD authorizes PHAs to continue assistance to non-culpable family members. PHAs may impose, as a condition of continued assistance, a requirement that the violating family member(s) will not reside in the unit.

Assistance with conditions available:

HCHA will consider a household eligible for rental assistance if the household member who committed the criminal act will not be a part of the assisted household. The family may be required to submit written certification that the ineligible family member(s) will not reside in and/or visit the household.

HCHA will not provide assistance if any household member was evicted from federally assisted housing for drug-related criminal activity (including personal use/possession) within the past three years. In such a case, assistance will only be provided in case of successful rehabilitation or permanent removal from the household.

II. MANDATORY DENIALS

HUD requires public housing agencies to deny housing to families that include certain types of individuals:

- Individuals who have been evicted from federally assisted housing within the past three years because of drug-related criminal activity;
- Individuals who are subject to a lifetime sex offender registration requirement in any state;
- Individuals who have been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing;
- Individuals who are currently engaging in illegal drug use; and
- Individuals who are currently abusing alcohol in a manner that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHAs have discretion to make exceptions for persons who have been rehabilitated.

(1) Previous Evictions for Drug-Related Criminal Activity [24 CFR §982.553(a)(1)(i)]

HUD requires PHAs to deny admission for three years from the date of eviction if any household member was evicted from federally assisted housing for drug-related criminal activity (including personal use).

However, the PHA may admit the household if the PHA determines:

(A) That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA; or

(B) That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).

Three-year ban if evicted from public housing for drug-related criminal activity:

HCHA denies admission if any household member was evicted from federally assisted housing because of a drug-related criminal activity for a three year period beginning on the date of such eviction.

Exception – successful completion of treatment or permanent removal from household:

HCHA will consider admitting the family if the drug user has successfully completed a rehabilitation program, or if the circumstances leading to the eviction no longer exist (i.e. the individual is imprisoned or is deceased).

(2) Lifetime Sex Offender Registration Applicants [24 CFR §982.553(a)(2)(i)]

HUD requires PHAs to prohibit admission of the family if any household member is subject to a lifetime sex offender registration requirement in any state. The PHA must perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement in any state where the household members are known to have resided.

HCHA prohibits admission of the family if any household member is subject to a lifetime sex offender registration requirement in any state.

(3) Production of Methamphetamine - Applicants [24 CFR §982.553(a)(1)(ii)(C)]

HUD requires PHAs to deny admission if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

HCHA denies admission for any methamphetamine production conviction, regardless of time or location:

HCHA's standard is to deny admission if any household member has ever been convicted of the manufacture or production of methamphetamine, regardless of the time or location of such manufacture or production.

(4) Illegal Use of a Drug - Applicants [24 CFR §982.553(a)(1)(ii)(A)-(B)]

HUD requires PHAs to establish standards that deny admission if any household member is currently engaging in illegal drug use or has a pattern of drug use that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

"Currently engaging in" means the use was recent enough to warrant a belief that it is current/ongoing. [24 CFR §982.553(a)(2)(ii)(C)(2)]

The PHA may permit the person to be admitted if the person demonstrates that he or she is not currently using drugs and has been rehabilitated in any one of three ways:

(1) Participation in a supervised drug or alcohol rehabilitation program;
(2) Completion of a supervised drug or alcohol rehabilitation program;
(3) Successful rehabilitation in some other manner. [24 CFR §982.552(c)(2)(iii)]

HCHA denies admission if more than one incident in past 12 months, regardless of conviction:

HCHA is required to deny admission if the Housing Agency has reasonable cause to believe that there is a pattern of illegal use of a drug by the applicant or any household member.

A "pattern" is shown if there is more than one "incident" (including arrests, convictions, no contest pleas, fines, PBJ and stets within the past 12 months).

Exception – completion of treatment:

HCHA may approve admission if the drug user provides sufficient evidence that he or she is no longer engaging in illegal drug use and has successfully completed a supervised rehabilitation program. HCHA will not accept current participation in a rehabilitation program; only successful completion is deemed sufficient.

(5) Alcohol Abuse - Applicants [24 CFR §982.553(a)(2)(ii)(C)(3)]

HUD requires PHAs to establish standards that deny admission if a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA may permit the person to be admitted if the person demonstrates that he or she is not currently using alcohol and has been rehabilitated in any one of three ways:

(1) Participation in a supervised drug or alcohol rehabilitation program;
(2) Completion of a supervised drug or alcohol rehabilitation program;
(3) Successful rehabilitation in some other manner. [24 CFR §982.552(c)(2)(iii)]

HCHA denies admission if more than one incident in past 12 months, regardless of conviction:

HCHA denies admission if there is a pattern of alcohol abuse by any household member that threatens the health, safety, or right to peaceful enjoyment of other residents.

A "pattern" is shown if there is more than one "incident" (including arrests, convictions, no contest pleas, fines, PBJ and stet) within the previous 12 months.

Exception – completion of treatment:

HCHA may make an exception if the abuser provides sufficient evidence that he or she is no longer engaging in alcohol abuse and has successfully completed a supervised rehabilitation program. HCHA will not accept current participation in a rehabilitation program; only successful completion is deemed sufficient.

III. PERMISSIVE DENIALS

HUD regulations permit public housing agencies to deny admission where a household member has certain kinds of criminal records, if the criminal activity occurred a "reasonable time" before the person seeks admission:

- Individuals who have engaged in any drug-related criminal activity;
- Individuals who have engaged in any violent criminal activity; or
- Individuals who have engaged in any other criminal activity that would threaten the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or PHA personnel.

The regulations are silent on what constitutes a "reasonable time."

Federal regulations also permit public housing agencies to deny admission where:

- A household member has been evicted from assisted housing within the past five years; or
- A PHA has ever terminated assistance for any household member.

(1) Drug-Related Criminal Activity - Applicants (24 CFR §982.553 (a)(2)(ii)(A)(1) and (a)(2)(ii)(B)]

HUD authorizes PHAs to deny admission of persons who have engaged in drug-related criminal activity during a reasonable period of time before the person seeks admission.

Three-year ban in case of conviction or incarceration:

HCHA will deny admission for drug-related criminal activity for a period of three years following the end of a conviction *or* incarceration (whichever is later) with no further arrests or convictions other than minor traffic violations.

Exception – completion of treatment:

HCHA may waive the three-year ban if the person provides sufficient evidence that they are no longer engaging in the illegal use of a drug and have successfully completed a supervised drug rehabilitation program.

(2) Violent Criminal Activity - Applicants [24 CFR §982.553(a)(2)(ii)(A)(2)]

HUD authorizes PHAs to deny admission of persons who have engaged in violent criminal activity during a reasonable period of time before the person seeks admission.

Three-year ban for any conviction:

HCHA will deny admission for violent criminal activity for a period of three years following the end of a conviction *or* incarceration (whichever is later) with no further arrests or convictions other than minor traffic violations. This applies to convicted perpetrators only.

(3) Other Criminal Activity [24 CFR §982.553(a)(2)(ii)(A)(3)]

HUD authorizes PHAs to deny admission to persons who, during a reasonable time before admission, have engaged in 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. HUD also authorizes PHAs to deny admission to persons who, during a reasonable time before admission, have engaged in other criminal activity which may threaten the health or safety of the owner, property management staff, or any PHA employee, contractor or agent.

HCHA denies admission if applicant is on parole or probation:

HCHA will deny admission if any household member has not completed parole or probation, including summary probation.

(4) Eviction from Assisted Housing Within Past Five Years [24 CFR §982.552(c)(1)(ii)] - Applicants and Participants

HUD authorizes PHAs to deny or terminate program assistance if any household member has been evicted from federally assisted housing within the last five years.

Five-year ban on admission in case of eviction:

HCHA may deny admission or terminate assistance if any household member has been evicted from a federally assisted housing program within the five years prior to admission. HCHA's policy does not specify whether or not the eviction must have been for cause.

(5) Prior Termination from Assisted Housing [24 CFR §982.552(c)(1)(iii)]

HUD authorizes PHAs to deny or terminate program assistance if a PHA has ever terminated assistance under the program for any household member.

HCHA denies admission to the family if any member of the family has been terminated from any HCHA assisted housing program for cause within the three years immediately prior to the initial interview. If the family is readmitted to any HCHA assisted housing program after a termination for cause from any HCHA assisted housing program and is subsequently evicted or terminated, HCHA permanently denies the family participation in any of its assisted programs.

IV. MANDATORY TERMINATIONS

HUD regulations require PHAs to terminate families that contain certain categories of individuals:

- Individuals who have been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing;
- Individuals who are currently engaged in illegal drug use or a pattern of drug use that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
- Individuals who are abusing alcohol or exhibit a pattern of alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
- Individuals who engage in drug-related criminal activity;
- Individuals who engage in violent criminal activity;
- Individuals evicted from federally assisted housing for serious violation of the lease; and
- Families or individuals who are absent from the unit for over 180 days.

(1) Production of Methamphetamine - Participants [24 CFR §982.553(b)(1)(ii)]

HUD requires PHAs to immediately terminate assistance to a family if the PHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

(2) Illegal Use of a Drug - Participants [24 CFR §982.553(b)(1)(i)]

HUD requires PHAs to establish standards that allow for termination of a family if a household member is currently engaged in illegal drug use or if a pattern of drug use by any household member threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

HCHA terminates assistance in case of arrest, conviction, eviction, disturbance, or violation of lease:

HCHA may terminate a participant for drug-related activity that occurs on or off the premises of the assisted unit. A conviction is not required to deny or terminate assistance.

HCHA's policy is that participants may be terminated if they have been arrested, charged, or convicted, or if the participant's tenancy is being terminated due to drug-related criminal activity or activities that have created a disturbance in the building or neighborhood.

The family will be terminated if they violate the lease for drug-related criminal activity.

Exception – non-culpable family members:

In appropriate cases, the HCHA may permit the family to continue receiving assistance provided that family members who have engaged in the aforementioned activities will not reside and/or visit the unit.

Exception – juveniles:

If the violating member was a minor, HCHA may consider individual circumstances before terminating.

Exception – successful completion of treatment:

HCHA's definition of "drug-related activity" does not include prior personal use or possession if the family member had an addiction and has recovered, does not currently use or possess the substance, and has demonstrated successful completion of a rehabilitation program.

(3) Alcohol Abuse - Participants [24 CFR §982.553(b)(3)]

HUD requires PHAs to establish standards that allow for termination of a family if a household member is currently engaging in alcohol abuse or has a pattern of alcohol use that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. HCHA's standards are to terminate assistance for the family for any eviction from assisted housing in which abuse of alcohol was a contributing factor to the eviction.

HCHA may also terminate assistance if, using a preponderance of the evidence standard, the participant or any member of the participant's household exhibits an abuse or pattern of abuse of alcohol that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents regardless of whether the participant or household member was evicted or convicted for such activity.

Exception – non-culpable family members:

HCHA may continue to assist non-culpable family members so long as the alcohol abuse use did not result in eviction for serious violation of the lease.

(4) Drug-Related Criminal Activity - Participants [24 CFR §982.553(b)(1)(iii)]

HUD requires PHAs to establish standards that allow the PHA to terminate assistance to participants if any household member engages in drug-related criminal activity.

HCHA terminates assistance in case of arrest, conviction, eviction, disturbance, or violation of lease:

HCHA may terminate a participant for drug-related activity that occurs on or off the premises of the assisted unit. A conviction is not required to deny or terminate assistance.

HCHA's policy is that participants may be terminated if they have been arrested or convicted, or if their tenancy is being terminated due to drug-related criminal activity or activities which have created a disturbance in the building or neighborhood.

The family will be terminated if they violate the lease for drug-related criminal activity.

Exception – non-culpable family members:

In appropriate cases, the Housing Agency may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside and/or visit the unit.

Exception – juveniles:

If the violating member was a minor, HCHA may consider individual circumstances before terminating.

Exception – successful completion of treatment:

HCHA's definition of "drug-related activity" does not include prior personal use or possession if the family member had an addiction and has recovered, does not currently use or possess the substance, and has demonstrated successful completion of a rehabilitation program.

(5) Violent Criminal Activity - Participants [24 CFR §982.553(b)(2)]

HUD requires PHAs to establish standards that allow termination of assistance if any household member engages in violent criminal activity.

Terminates assistance in case of arrest, conviction, eviction, disturbance, or violation of lease:

HCHA may propose termination against the family for violent criminal activity that occurs on or off the premises of the assisted unit. An arrest or conviction is not required to deny or terminate assistance.

Participants may be terminated if they have been arrested or convicted, or if their tenancy is being terminated due to violent criminal activity or activities which have created a disturbance in the building or neighborhood.

The family will be terminated if they violate the lease for violent criminal activity.

Incidents or threats of abuse will not be grounds for termination for the victim of the abuse.

Exception – non-culpable family members:

In appropriate cases, the Housing Agency may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside and/or visit the unit.

Exception – juveniles:

If the violating member was a minor, HCHA may consider individual circumstances before terminating.

(6) Serious Violation of the Lease - Participants [24 CFR §982.552(b)(2)]

HUD requires PHAs to terminate program assistance for a family evicted from assisted housing for serious violation of the lease.

HCHA complies with the federal rule. Domestic violence, dating violence, and/or stalking are not considered serious violations of the lease for the victim by the Housing Agency.

(7) Absence from Unit [24 CFR §982.312]

HUD requires PHAs to terminate assistance if a family is absent for any reason for more than 180 days.

At their discretion, PHAs are authorized to allow absences for lesser periods.

An "absence" means that no member of the family is residing in the unit.

Absence of more than 30 days requires approval, more than 60 days results in termination:

A family may be absent for any reason for up to 30 days. Absences of more than 30 days require notice to HCHA. Any absence of more than 60 days results in termination. HCHA reserves the right to grant extensions on a case-by-case basis. However, any individual member of the household will be considered permanently absent if he or she is away from the unit for more than 180 days.

HCHA will terminate assistance if the sole member of the household is incarcerated for more than 30 days, or if any individual member is incarcerated for more than 60 days. In the latter case, the family must seek HCHA approval before allowing that member to rejoin the household, or will risk termination of assistance.

Exceptions - disability, medical need:

If the absence that resulted in termination was due to a person's disability, HCHA may reinstate the family as a reasonable accommodation, if requested. If any family member leaves the household to enter a medical facility (e.g., a hospital, nursing home, or rehabilitation center) and is likely to return in less than 90 days, the family member will not be considered permanently absent.

V. PERMISSIVE TERMINATIONS

(1) Lifetime Sex Offender Registration - Participants [24 CFR § 982.552(c)(1)(i)]

HUD authorizes PHAs to terminate assistance if any family member violates the family obligations delineated in §982.551. One of these obligations is that the members of the household may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents and persons residing in the immediate vicinity of the premises.

Terminates assistance for sex offenses committed during program participation:

HCHA terminates assistance for the family if any member of the household has committed a crime, on or after June *25,* 2001, and while a participant in an assisted housing program, that makes that person subject to a lifetime sex offender registration requirement in any State.

VI. DUE PROCESS AND REASONABLE ACCOMMODATION

(1) Notice to Applicant [24 CFR § 982.554(a)]

HUD requires PHAs to give applicants prompt notice of any decision to deny assistance to the applicant. The notice must contain a brief statement of the reasons for the PHA decision, must state that the applicant can request an informal review, and must describe how to obtain an informal review.

Advises of reasons for decision, procedure for requesting review, time limit for requesting review:

When HCHA denies assistance to an applicant, the family **is notified in writing. The notice contains:**

- The reason(s) for the decision;
- The procedure for requesting an informal if the applicant does not agree with the decision; and
- The time limit for requesting a review.

(2) Right to Informal Review - Applicants [24 CFR §982.553(d)(1) and §982.554(c)]

If a PHA proposes to deny admission for criminal activity as shown by a criminal record, HUD requires the PHA to provide the subject of the record and the applicant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of the record, in the informal review process in accordance with §982.554.

The PHA is not required to provide informal review for discretionary administrative actions by the PHA, nor for general policy issues and class grievances.

Provides copy of criminal record upon request and provides opportunity for informal review:

If an applicant or family member is denied admission, the person will be provided with a copy of the criminal record upon request and an opportunity to dispute the record at an informal review.

(3) Notice Requirements - Participants [24 CFR § 982.555(c)]

When a participant family is entitled to an informal hearing, HUD requires the PHA to notify the family that they may ask for an explanation of the basis of the PHA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

The PHA must give the family prompt written notice that the family may request a hearing. The notice must:

(i) Contain a brief statement of the reasons for the decision,

(ii) State that if the family does not agree with the decision, the family may request an informal hearing on the decision, and

(iii) State the deadline for the family to request an informal hearing.

HCHA provides families with notice at least 30 days prior to the effective date of the intended termination.

(4) Right to Informal Hearing - Participants [24 CFR § 982.553(d)(2)]

If a PHA proposes to terminate assistance for criminal activity as shown by a criminal record, the PHA is required notify the household of the proposed action to be based on the information and must provide the subject of the record and the tenant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with 24 CFR §982.555.

A hearing is not required for any discretionary administrative determinations by the PHA, or for general policy issues or class grievances.

Provides copy of criminal record and opportunity for informal hearing:

If a participant is terminated based on criminal activity, the person will be provided with a copy of the criminal record upon request and an opportunity to dispute the record at an informal hearing.

(5) Reasonable Accommodation [24 CFR § 982.552(c)(2)(iv)]

Under HUD regulations, if the family includes a person with disabilities, the PHA decision concerning denial or termination is subject to consideration of reasonable accommodation in accordance with part 8 of Title 24 of the Code of Federal Regulations.

Family may request consideration of mitigating circumstances if there is a disability:

If termination is based upon behavior resulting from a disability, HCHA may delay the termination in order to determine if there is a reasonable accommodation that would cure the grounds for termination.

HCHA approves reasonable accommodation requests on a case-by-case basis, upon determination that:

- The requested accommodation is reasonable (i.e., it does not result in a fundamental alteration in the nature of the program or an undue financial and administrative burden); and

- There is an identifiable relationship between the requested accommodation and the individual's disability.

In order to verify the necessity for a reasonable accommodation, HCHA requires the disabled person (or another person on their behalf) to submit a reasonable accommodation request form, or other written documentation, filled out by a qualified professional with direct experience with the individual's disability.

Qualified professionals may include, but are not limited to:

- A medical doctor.
- A psychiatrist.
- A social worker.
- Other unlicensed care providers.

These guidelines do not cover family obligation violations.

Appendix 2

Landlord Participation Requirements

All landlords participating with subsidy programs administered by the HCHA must abide by all federal, state, and county regulations, as well as:

1. Property taxes for the assisted unit must be current.
2. Homeowner's association (HOA) fees for the assisted unit must be current.
3. The assisted property must not be in foreclosure or subject to foreclosure.
4. The landlord may not owe the HCHA any restitution or debt as determined by the HCHA.
5. The landlord may not have a history of noncompliance with HQS.
6. The landlord must aggressively enforce the lease.
7. The landlord must not be abusive toward HCHA personnel.

The HCHA has the right to reject any landlord as a participant, with or without cause.