

## Chapter 1

### STATEMENT OF POLICIES AND OBJECTIVES

#### INTRODUCTION

The Housing Choice Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Housing Choice Voucher Tenant-Based Assistance Program, is described in and implemented throughout this Administrative Plan.

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

#### Jurisdiction

The jurisdiction of GDPM is Montgomery County, OH except the Village of Verona.

#### A. HOUSING AUTHORITY MISSION STATEMENT

The mission of Greater Dayton Premier Management is to provide low to moderate income residents of Montgomery County access to decent, safe, affordable housing and to advocate on behalf of our clients on community issues and services that affect their ability to secure and maintain housing.

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

**\* HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.**

**GDPM Goal: Expand the supply of assisted housing**

##### **Objectives:**

Apply for additional rental vouchers:

Reduce public housing vacancies:

Develop a plan for leveraging additional funds through borrowing, a bond issue, or through conversion of public housing to project-based subsidy:

Increase public housing inventory

**GDPM Goal: Improve the quality of assisted housing**

**Objectives:**

Improve public housing management: (PHAS score of high performer by 6-30-11)

Improve voucher management: (SEMAP score of high performer by 6-30-11)

Increase customer satisfaction:

Concentrate on efforts to improve specific management functions (list; e.g., public housing finance; voucher unit inspections)

Modernize 200 public housing units to ensure long-term viability of the sites and other renovations included in the Five-Year Modernization Plan:

Develop an action plan for GDPM's housing stock

**GDPM Goal: Increase assisted housing choices**

**Objectives:**

Conduct outreach efforts to potential voucher landlords

Keep voucher payment standards within budget and keep housing affordable to families

Increase voucher homeownership program:

Convert public housing to vouchers:

Create new homeownership opportunities for families by partnering with other entities to develop new homes throughout nontraditional financing.

**\* HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans**

**GDPM Goal: Ensure equal opportunity and affirmatively further fair housing**

**Objectives:**

Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:

Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:

Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:

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

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. The Housing Choice Voucher Program was implemented on 10/1/99, and pre-merger Housing Voucher tenancies and Over Fair Market Rent tenancies converted automatically to Housing Choice Voucher tenancies on that date. All other existing contracts remained in effect until the family's second reexamination after the merger date or when a new lease was executed.

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

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

Applicable regulations include:

24 CFR Part 5: General Program Requirements

24 CFR Part 8: Nondiscrimination

24 CFR Part 982: Housing Choice Voucher Tenant-Based Assistance: Housing Choice Voucher Program

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

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

## **E. TERMINOLOGY**

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

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

"Landlord" and "owner" are used interchangeably.

"Disability" is used where "handicap" was formerly used.

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

The Housing Choice Voucher program is also known as the Housing Choice Voucher Program.

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

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

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

See Glossary for other terminology.

## **F. FAIR HOUSING POLICY** [24 CFR 982.54(d)(6)]

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

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

To further its commitment to full compliance with applicable Civil Rights laws, GDPM will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable Fair

Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request at the front desk.

All Housing Authority staff will be required to attend fair housing training and informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority office/s, including in the lobby and interview rooms and the equal opportunity logo will be used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organization to keep current with new developments.

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

GDPM's offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the **[TTD/TDY telephone service provider]**.

The Housing Authority works with organizations who assist hearing and sight-impaired persons to provide assistance where needed.

The Housing Authority will maintain a list of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure "greater mobility and housing choice" to very-low-income households served by this agency. The list will be provided online on the GDPM website.

A list of accessible units may be provided by local government organizations to assist families in locating housing.

In compliance with the Housing and Community Development Act of 1987 – Section 147, no owner who has entered into a contract for housing assistance payments under this section on behalf of any tenant in a multifamily housing project shall refuse to lease any available dwelling unit in any multifamily housing project of such owner and enter into a voucher contract on the unit because of their status of prospective tenant as a voucher holder.

For purposes of this section, the term "multifamily housing project" means a residential building containing more than four dwelling units.

## **G. REASONABLE ACCOMMODATIONS POLICY** [24 CFR 100.202]

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

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before GDPM will treat a person differently than anyone else. GDPM's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation will be made known by including notices on GDPM forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with GDPM, when GDPM initiates contact with a family including when a family applies, and when GDPM schedules or reschedules appointments of any kind.

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

A physical 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

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

Once the person's status as a qualified person with a disability is confirmed, GDPM will require that a professional third party competent to make the assessment, provides written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program.

If GDPM finds that the requested accommodation creates an undue administrative or financial burden, GDPM will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of GDPM (i.e., waiving a family obligation).

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on GDPM.

GDPM will provide a written decision to the person requesting the accommodation within ten working days from the date the written request is received. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the GDPM's decision.

Reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability.

All GDPM mailings will be made available in an accessible format upon request, as a reasonable accommodation.

After a Reasonable Accommodation has been requested in writing on the Specified Reasonable Accommodation Form, GDPM will schedule a special inspection to verify the need for an additional bedroom(s) for the accommodation. GDPM's inspector will only inspect the equipment or other noted items that may cause the tenant to request the accommodation.

### **Verification of Disability**

GDPM will verify disabilities in compliance with the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and Americans with Disabilities Act.

## **H. TRANSLATION OF DOCUMENTS**

In determining whether it is feasible to provide translation of documents written in English into other languages, GDPM will utilize the availability of local organizations to provide translation services to non English speaking families.

## **I. MANAGEMENT ASSESSMENT OBJECTIVES**

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

Selection from the Waiting List

Reasonable Rent

Determination of Adjusted Income

Utility Allowance Schedule

HQS Quality Control Inspections

HQS Enforcement

Expanding Housing Opportunities

Payment Standards

Annual Re-examinations

Correct Tenant Rent Calculations

Pre-Contract HQS Inspections

Annual HQS Inspections

Lease-up

Family Self-Sufficiency Enrollment and Escrow Account Balances

Bonus Indicator Deconcentration

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

Selection from the waiting list

Rent reasonableness

Determination of adjusted income

HQS Enforcement

HQS Quality Control

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

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

#### **J. RECORDS FOR MONITORING GDPM PERFORMANCE**

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

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

Not less than 100% of reexaminations

Not less than 100% of new applications/admissions to the program

Not less than 100% of initial, recertification, complaint and move out inspection paperwork

#### **K. PRIVACY RIGHTS** [24 CFR 982.551 and 24 CFR 5.212]

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

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

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential" or returned to the

family member after its use. The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by Senior Manager, Housing Choice Voucher Administration.

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

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

## Chapter 2

### ABOUT THE AUTHORITY

#### INTRODUCTION

GDPM was established in 1934 pursuant to State legislation.

On October 7, 1976, GDPM entered into an Annual Contributions Contract with HUD and received its first allocation of Housing Choice Voucher Certificate units.

#### A. ORGANIZATIONAL SETUP

Under the direction of the seven-member Board of Housing Commissioners, staff of GDPM administers the Housing Choice Voucher program's day-to-day operations. This Board consists of local civic-minded citizens who are appointed as follows:

- The Mayor of the City of Dayton appoints two members
- The County Commission appoints three members
- One member is appointed by the Probate Court
- One member is appointed by the Court of Common Pleas

GDPM's Chief Executive Officer is the CEO. The agency is comprised of the Executive Office and the following departments:

- Security
- Human Resources
- Financial Management
- Real Estate & Investment Development
- Compliance
- Information Technology
- Asset Management
- Housing Choice Voucher Administration
- Business Development
- Legal Services
- Family Self-Sufficiency

GDPM's Housing Choice Voucher Administration Department is responsible for administering all Housing Choice Voucher programs, beginning with responding to HUD's Notice of Funding Availability (NOFA), through identifying owners and families eligible to participate in the program, to termination of participation of owners and families.

GDPM receives input from the Consolidated Plan that provides the guidelines for development of GDPM's objectives.

**B. ACTIVITIES OF THE HOUSING CHOICE VOUCHER DEPARTMENT**

Program Descriptions

Initial marketing and outreach

Applicant eligibility/ineligibility determinations

Applicant preference determinations

Initial certification

Providing notifications to applicants

Issuing housing vouchers

Conducting individual briefing sessions

Monitoring success of voucher holders in finding suitable housing

Processing requests for tenancy approvals

Conducting dwelling unit inspections

Certifying reasonableness of rent

Preparing contract documents

Calculating HAP/UAP payments and tenant rent

Maintaining active leases and contracts during tenancy

Make HAP/UAP payments on monthly basis

Annual recertification of tenant income, assets, and deductions, annual HQS inspection of units and renegotiation of rents

Resolving tenant/owner disputes

Conducting move out inspections

Establish repayment agreements for unreported or underreported income

Conduct informal reviews and hearings

Coordinate/prepare funding applications

Have input into/preparation of budgets, financial reports, policies, procedures, goals and standards

Enroll and monitor family process in Family Self-Sufficiency Program

Control and monitor program allocations

Prepare correspondence to applicants/owners/tenants

### **C. DESCRIPTION OF PROGRAMS OFFERED**

GDPM administers the following programs:

Asset Management Units (GDPM owns and operates the housing under this program)

Housing Choice Voucher Program

Project-Based Certificate Program

Project-Based Voucher Program

Enhanced Voucher Program

Housing Choice Voucher Moderate Rehabilitation Program

Single Room Occupancy Program

Contract Administrator for Housing Choice Voucher Substantial Rehabilitation

Family Self-Sufficiency Program

Family Unification Program

Mainstream Program for Disabled Households

Voucher Homeownership Program

## Chapter 3

### OUTREACH PROCEDURES

#### **A. FAMILY OUTREACH**

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

When applications are accepted, the notice will:

Advise families that applications will be taken at the designated office, including the dates and times application will be accepted;

Briefly describe the Housing Choice Voucher program, and;

State that occupants/applicants for Public (low rent) housing, to be considered for the Housing Choice Voucher program, must specifically apply for the Housing Choice Voucher program and that applicants for the Housing Choice Voucher program will not lose their place on the public housing waiting list.

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

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

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

GDPM makes a concerted effort to keep private owners informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to owners. This includes informing participant owners of applicable legislative changes in program requirements.

GDPM encourages owners of decent, safe and sanitary housing units to lease to Housing Choice Voucher families. GDPM encourages participation by owners of suitable units located outside areas of low poverty or minority concentration.

GDPM conducts periodic meetings with participating owners to improve owner relations and to recruit new owners.

GDPM maintains a list of interested landlords/list of units in all neighborhoods within GDPM's jurisdiction that are available for the Housing Choice Voucher Program and this

list is updated at least monthly. Owner's can list their properties online at our website [gdpm.org](http://gdpm.org). When listings from owners are received, they will be inputted online by GDPM staff and are available for families to view at their convenience during office hours at kiosks located in the reception areas or from any computer with online access.

## Chapter 4

### ELIGIBILITY FOR ADMISSION

#### INTRODUCTION

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

#### A. ELIGIBILITY FACTORS [24 CFR 982.201(b)]

The Housing Choice Voucher Program accepts applications only from families whose head or spouse is at least 18 years of age.

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

The HUD eligibility criteria are:

- An applicant must be a "family"
- An applicant must be within the appropriate Income Limits
- An applicant must furnish Social Security Numbers for all family members age six and older
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification where required
- At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before the Housing Choice Voucher Program may provide any financial assistance.

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

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

Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a Voucher.

The Housing Choice Voucher Program will ~~administered the~~ Veterans Affairs Support Housing (VASH) Program in accordance with the policies, procedures and regulations defined in the HUD-VASH Program ( 24CFR, Section 982).

**B. FAMILY COMPOSITION** [24 CFR 982.201(c)]

The applicant must qualify as a Family. A Family may be a single person or a group of people.

A “family” includes a family with or without children. A group of people consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family. The Housing Choice Voucher Program determines if any other group of persons qualifies as a “family”.

A single person family may be:

- An elderly person
- A displaced 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 family also includes two or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship.

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

**Head of Household**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

### **Spouse of Head**

Spouse means the husband or wife of the head.

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

### **Co-Head**

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

### **Live-in Attendants**

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

- Is determined by the Housing Choice Voucher Program to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s)
- Is 18 years of age or older.

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

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Non-Citizen Rule requirements.
- Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above. Family members of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and further provided that the presence of the live-in's family members do not overcrowd the unit.

A Live in Aide may only reside in the unit with the written approval of the Housing Choice Voucher Program. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled and include the hours the care will be provided.

The Housing Choice Voucher Program will approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 1 of this administrative plan.

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

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to the Housing Choice Voucher Program or to another Housing Authority in connection with Section 8 or public housing assistance under the 1937 Act.

### Split Households Prior to Voucher Issuance

Families who are on the Housing Choice Voucher Program's waiting list may have a change in family composition where two parties split up and each want to retain their status (date/time) on the waiting list. In those instances where a family on the Housing Choice Voucher Program's waiting list becomes divided into two otherwise eligible families due to divorce or legal separation, and the new families cannot agree as to which new family unit should continue to retain the position on the waiting list and there is no court determination, the Housing Choice Voucher Program must determine which of the newly formed families will retain the placement on the waiting list.

Where the Housing Choice Voucher Program must make a determination as to who will retain the waiting list position, the waiting list position may be retained by either of the two new family units where there is mutual consent of the heads of the two new family units or there is a determination by a court as to which new family unit is to retain the position on the Housing Choice Voucher Program's waiting list. Otherwise, the Housing Choice Voucher Program will determine which of the two new family units will continue to retain the place on the waiting list. In making this decision, the Housing Choice Voucher Program shall consider which family member has physical custody of the children and/or whether domestic violence was involved in the breakup.

If there is a legal determination of custody and both new households include children, both new households will remain on the list as applicants, with the same date and time of application, as long as both parties remain eligible.

If there are no children in the household and the parties remain eligible and cannot make a decision as to who should remain the applicant, the Housing Authority will hold the application for ninety days pending a decision by the parties. After that time, if there is no decision, the Housing Choice Voucher will be awarded to the person who remains at the unit address listed on the application on file with the Housing Choice Voucher Program.

Documentation as to these factors will be the responsibility of the requesting parties. If documentation is not provided, the Housing Choice Voucher Program reserves the right to make the decision based on who is listed as head on the application.

An exception may be granted in the case of a battered spouse, with verification of this situation being the same as the preference verification for domestic violence.

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

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

### **Joint Custody of Children**

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

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

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

To be eligible for assistance, an applicant must:

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

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

To be income eligible the family may be under the low-income limit in any of the following categories: [24 CFR 982.201(b)]

- A very low income family.
- A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 30 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.
- A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
- A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- A low-income non-purchasing family residing in a project subject to a home-ownership program under 24 CFR 248.173.
- A low-income family or moderate income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.
- A low-income family that qualifies for Voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program.

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

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

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

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

Families are required to provide verification of Social Security Numbers for all family members age 6 and older prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

Persons who have not been issued a Social Security Number must sign a certification that they have never been issued a Social Security Number.

Persons who disclose their Social Security Number but cannot provide verification of a social security card must provide a printout from the Social Security Administration office.

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

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

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

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

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

Non-citizen students. Defined by HUD in the non-citizen regulations at 24 CFR 5.522. Not eligible for assistance.

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

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

A family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for serious violation of the lease within the past three years.

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

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

- Families whose income is within the applicable income limits but whose Total Tenant Payment equals or exceeds the payment standards may be denied assistance.
- Families must not have committed fraud in connection with any federal housing program.
- Families who have been evicted from public housing or by Housing Choice Voucher Program owners because of engaging in drug-related criminal activity within the past three years will be denied admission. The three-year period begins on the date of such eviction. If the family as a previous participant in public housing or the Housing Choice Voucher Program, was terminated for drug-related or violent criminal activity by a family member, if that family member is no longer a member of the household and will not be a member of the household after the family is admitted, the family may be admitted but will be required to sign an agreement that the family member will not reside in the household. If the family violates the agreement, the family will be subject to termination of assistance.
- The family must not have violated any family obligation during a previous participation in the Housing Choice Voucher Program or with any public housing agency for three years prior to final eligibility determination. The Housing Choice Voucher Program will make an exception, if the family member who violated the family obligation is not a current member of the household on the application.
- Families must not have an outstanding debt owed to any assistance program arising out of any previous tenancy in any of the programs that the Housing Choice Voucher Program administers, any Housing Choice Voucher funded program (ex: Section 236 housing, Section 8 set aside).
- All families will be run through the Debts Owed to PHA's and Terminations Database when they are pulled from the waiting list to determine if a debt is owed to another agency or if they were terminated for cause. If a debt is owed the

applicant will be sent a letter giving them 30 days to provide proof that they have paid the debt to that agency along with a copy of the debt information from the database. If the client does not provide the requested information by the deadline they will be withdrawn from the waiting list. If the family was terminated for cause they will be determined ineligible for three years from the date of termination. They will be sent an ineligible letter along with a copy of the information from the database. The client will be withdrawn from the waiting list.

- If a family is residing in a form of subsidized housing during the course of time on the waiting list and the family moves from the subsidized unit, the file will be held for a 30 day period from the verified move out date. This 30-day period will allow management to reconcile the security deposit and access any charges.
  
- After this 30-day period, the management will be contacted to determine if there is any balance owed. If it is found that there is an outstanding debt, the family will be notified of the amount of monies due. The family will be given one year to pay the balance in full. During the time period the money is due, the application will be held 'inactive'. If, after a period of one year, the applicant has not provided a receipt of payment, the application will be withdrawn from the waiting list.

Any family referred into the Housing Choice Voucher Program offices for a targeted housing program must not have an outstanding debt with the Housing Choice Voucher Program. If it is found that there is an outstanding debt, the family will be notified of the amount due. The family will be given ten (10) working days to pay the balance in full. If the applicant is unable to pay the balance within the ten (10) working day period, the application will be withdrawn.

In certain cases, the Housing Choice Voucher Department will accept an arrangement for another agency to pay the balance two (2) weeks after the family has signed lease. This agreement must be in writing and preapproved by the Senior Manager of the Housing Choice Voucher Program.

\*The family must be in good standing regarding any current payment agreement made with another PHA for a previous debt incurred, before the Housing Choice Voucher Program will allow participation in its program.

The Housing Choice Voucher Department will check criminal history for all adults in the household to determine whether any member of the family has engaged in drug-related or violent criminal activity or is a registered sex offender.

Initial screening will be composed of checks through the CBC AMRENT System. If the initial screening indicates a criminal record, the family will be denied eligibility.

For the purposes of this policy, drug related or violent criminal activity will be construed to mean a member of the current family that has been arrested within the past three-year period.

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

If a family has engaged in or threatened abusive or violent behavior to the Housing Choice Voucher Department's personnel, the family will be denied admissions to the program for a period of three years from the date of incident.

The Housing Choice Voucher Program will prohibit admitting any person to the program in cases where the Housing Choice Voucher Department determines that there is reasonable cause to believe that the person is illegally using a controlled substance, or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

This includes cases where the Housing Choice Voucher Department determines that there is a pattern of illegal use of a controlled substance, or a pattern of alcohol abuse the Housing Choice Voucher Program will consider the use of a controlled substance or alcohol to be a pattern if there are more than two incidents during the previous three month period.

When applicants are notified in writing that their application has been rejected, the Housing Choice Voucher Department will state the reason and advise them of their right to an informal review.

#### G. MANDATORY AND PERMANENT INELIGIBILITY

In addition to existing admission policies which cover ineligibility for drug-related criminal activity, the Housing Choice Voucher Department must permanently deny admission to the Housing Choice Voucher Program of persons convicted of manufacturing or producing methamphetamine (commonly referred to as "speed") in violation of any Federal, State, or local law as well as a registered sex offender who is subject to lifetime registration requirements under the state sex offender registration programs.

#### H. TENANT SCREENING [24 CFR 982.307]

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

The Housing Choice Voucher Program will not screen family behavior or suitability for tenancy. The Housing Choice Voucher Program will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

The owner is responsible for screening and selecting the family to occupy the owner's unit. At or before the Housing Choice Voucher Program approval of the tenancy, the Housing Choice Voucher Department 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; and
- Compliance with other essential conditions of tenancy.

The Housing Choice Voucher Department will give the owner:

The family's current and prior address as shown in the Housing Choice Voucher Department's records; and the name and address (if known by the Housing Choice Voucher Department) of the landlord at the family's current and prior address.

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

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

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

## **J. INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to noncitizen status.

## **K. PROHIBITED ADMISSIONS CRITERIA [982.202(b)]**

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

Admission to the program may not be based on:

- Where a family lives prior to admission to the program.
- Where the family will live with assistance under the program.
- Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock.
- Discrimination because a family includes children.
- Whether a family decides to participate in a family self sufficiency program;  
or
- Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

## **L. SUSPENDING WAITLIST PROCESSING**

The Housing Choice Voucher Program may choose to suspend processing of applicants selected from the waitlist that are pending verification for a Housing Choice Voucher due to insufficient funding. Once sufficient federal funding becomes available, we will resume processing.

## Chapter 5

### APPLYING FOR ADMISSION

#### **INTRODUCTION**

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

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

The purpose of application taking is to permit the Housing Choice Voucher Department to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of the Housing Choice Voucher Programs must complete a written application form during open enrollment. To provide specific accommodation to persons with disabilities, upon request, the information may be mailed to the applicant, and if requested, it will be mailed in an accessible format

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a new application). This first phase results in the family's placement on the waiting list.

The new application will be dated, time-stamped, and can be completed on line. This application will be maintained until such time as it is needed for processing.

The second phase is the "final determination of eligibility" (referred to as the update application). The update application takes place when the family reaches the top of the waiting list. At this time the Housing Choice Voucher Department ensures that verification of all HUD and the Housing Choice Voucher Program's eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher. This process can be completed online.

**B. OPENING/CLOSING OF APPLICATION TAKING** [24 CFR 982.206, 982.54(d)(1)]

The Housing Choice Voucher Program will utilize the following procedures for opening the waiting list:

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

The notice will contain:

- The dates, times, and the locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- A statement that public housing applicants, residents, and participants in other assisted housing programs must submit a separate application if they want to apply for a Housing Choice Voucher. Applicants will not lose their place on the Asset Management waiting list if they apply for the Housing Choice Voucher Program.

**Limitations, if any, on who may apply.**

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

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

If the waiting list is open, the Housing Choice Voucher Program will accept applications from eligible families unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the "Denial or Termination of Assistance" chapter of this Administrative Plan. [24 CFR 982.206(b)(2)]

**Closing the Waiting List**

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

The Housing Choice Voucher Program will announce the closing of the waiting list by public notice.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months. The Housing Choice Voucher Program will give at least three days' notice prior to closing the list. The application closing date may be determined administratively at the same time that the Housing Choice Voucher Program determines to open enrollment. When the period for accepting applications is over, the Housing Choice Voucher Department will add the new applicants to the list by separating the new applicants into groups based on preferences and ranking applicants within each group by date and time of application.

### **Limits on Who May Apply**

When the waiting list is open depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, the Housing Choice Voucher Program may only accept applications from any family claiming preference(s).

When the application is submitted to the Housing Choice Voucher Department, it establishes the family's date and time of application for placement order on the waiting list.

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

The Housing Choice Voucher Program will utilize a new application form. The information is to be filled out by the applicant whenever possible. To provide specific accommodation for persons with disabilities, the information may be mailed to the applicant and, if requested, it will be mailed in an accessible format. Translations will be provided for non-English speaking applicants by document in specific languages.

The purpose of the new application is to permit the Housing Choice Voucher Department to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The new application will contain at least the following information:

- Names and ages of all household members
- Sex and relationship of all household members
- Address(es) and telephone number(s)

- Family Unit Size (number of bedrooms the family qualifies for under the Housing Choice Voucher Program the Housing Choice Voucher Program subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income and assets by household members
- Information regarding disabilities relating to program requirements (i.e. deductions)
- Social Security Numbers
- Citizenship/eligible immigration status
- Arrests/convictions for drug-related or violent criminal activity
- Targeted program qualifications

Duplicate applications will not be accepted.

Ineligible families will not be placed on the waiting list.

New applications will not require an interview. The information on the application will not be verified until the applicant has been selected for update eligibility determination. Update eligibility will be determined when the new application process is completed and all information is verified.

Failure to provide information, respond to mailings, or mailings being returned by post office as undeliverable will result in the applicant being removed from the waiting list. When applicants are notified in writing that their application has been rejected, the Housing Choice Voucher Department will state the reason and advise them of their right to an informal review.

In the event a client omits or falsifies the required information on the Housing Choice Voucher application form, the Housing Choice Voucher Department may terminate the application process and terminate the applicant from the Housing Choice Voucher Program.

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

Applicants are required to inform the Housing Choice Voucher Department in writing of any changes to their application. Applicants are also required to respond to requests from the Housing Choice Voucher Department to update information on their application and to determine their interest in assistance.

If after a review of the new application the family is determined to be preliminarily eligible, they will be notified in writing or in an accessible format upon request, as a reasonable accommodation.

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

This written notification of preliminary eligibility will be mailed to the applicant by first class mail, by email or distributed to the applicant in the manner requested as a specific accommodation.

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

**E. TIME OF SELECTION** [24 CFR 982.204]

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

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

Based on the Housing Choice Voucher Program's turnover and the availability of sufficient funding, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on completion of verification.

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

All preferences claimed on the new application or while the family is on the waiting list will be verified after the family is selected from the waiting list.

The qualification for preference must exist at the time the preference is claimed and at the time of verification, because claim of a preference determines placement on the waiting list.

After the preference is verified, when the Housing Choice Voucher Program is ready to select applicants, applicants will be required to complete a update application on line, unless assistance is needed, or a request for accommodation is made by a person with a disability. The Housing Choice Voucher Department's staff will review the information on the update application form.

The update application will be available on line for the applicant to complete.

### **Requirements to Complete On Line Processing**

The Housing Choice Voucher Department utilizes the update application to clarify information that has been provided by the family, and to ensure that the information is complete.

All adult family members will be required to sign the application and mandatory verifications. The head of household, co-head, and spouse will be required to sign the housing application.

If an applicant fails to complete the update application on line, the Housing Choice Voucher Department will automatically send a second notice. If an applicant fails to complete their application after the second notice, their application will be withdrawn from the waiting list and the applicant given the opportunity to request an informal hearing.

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

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

Every adult household member must sign a consent form to release criminal conviction records to the Housing Choice Voucher Program, which will allow the Housing Choice Voucher Department to receive the records and use them in accordance with HUD regulations. The Housing Choice Voucher Department will conduct criminal background screenings and every adult member will be checked through CBC AMRENT.

If the Housing Choice Voucher Department determines that additional information or document(s) are needed, the Housing Choice Voucher Department will request the document(s) or information in writing. The family will be given ten working days to supply the information.

If the information is not supplied in this time period, the Housing Choice Voucher Department will provide the family a notification of denial for assistance. (See "Complaints and Appeals" chapter)

**G. VERIFICATION [24 CFR 982.201(e)]**

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures" chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of issuance of the Voucher.

**H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY  
[24 CFR 982.201]**

After the verification process is completed, the Housing Choice Voucher Program will make a final determination of eligibility. This decision is based upon information provided by the family, the income verification, and the current eligibility criteria in effect. If the family is determined to be eligible, the Housing Choice Voucher Department will mail a notification of eligibility.

An on line appointment will be scheduled for the issuance of a voucher and the family's orientation to the housing program. At this time, the family size is established and estimation of the housing voucher subsidy (HVS) and the 40%.

**I. SUSPENDING ELIGIBILITY PROCESSING**

The Housing Choice Voucher Program may choose to suspend processing of applicants selected from the waitlist that are pending verification for a Housing Choice Voucher due to insufficient funding. Once sufficient federal funding becomes available, we will resume processing.

## Chapter 6

### ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST

#### **INTRODUCTION**

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

This chapter explains the five local preferences which the Housing Choice Voucher Program has adopted to meet local housing needs, defines the eligibility criteria for the preferences and explains the Housing Choice Voucher Program's system of applying them.

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

#### **A. WAITING LIST** [24 CFR 982.204]

The Housing Choice Voucher Program uses a single waiting list for admission to its Housing Choice Voucher tenant-based assistance program.

Except for Special Admissions, applicants will be selected from the Housing Choice Voucher Program's waiting list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan.

The Housing Choice Voucher Program will maintain information that permits proper selection from the waiting list.

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

- Applicant name
- Family unit size (number of bedrooms family qualifies for under PHA subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income
- Number of persons in family
- Targeted program qualifications

**B. SPECIAL ADMISSIONS AND EXCEPTIONS FOR SPECIAL ADMISSIONS** [24 CFR 982.54(d)(3) and (e), 982.203]

If HUD awards a PHA program funding that is targeted for specifically named families, the Housing Choice Voucher Program will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The Housing Choice Voucher Program maintains separate records of these admissions.

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

- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Home-ownership Act of 1990;
- A family residing in a unit affected by eminent domain (per HUD's request);
- A family residing in a project/Special Program covered by a project-based Housing Choice Voucher HAP contract at or near the end of the HAP contract term;

Applicants who are admitted under Special Admissions, rather than from the waiting list, are identified by specific housing codes in the automated system.

**C. LOCAL PREFERENCES** [24 CFR 982.207]

The Housing Choice Voucher Program will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the waiting list.

The Housing Choice Voucher Program uses the following local preference system (in the order listed):

**Victims of domestic violence:** The Housing Choice Voucher Program will offer a local preference to families that have been subjected to or victimized by a member of the family or household within the past *12 months*].

The Housing Choice Voucher Program requires that victims of domestic violence preference be provided when the victim brings third party verification that includes two elements:

1. A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence or stalking;
2. One of the following dated within the last twelve months:
  - a. A police or court record documenting the actual or threatened abuse or;
  - b. A statement signed by an employee, agent or volunteer of a victim service provider, an attorney, a medical professional, or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse and the victim must sign or attest to the statement.

At the family's request, the Housing Choice Voucher Program will take precautions to ensure that the new location of the family is concealed in cases of domestic abuse.

**Veteran preference:** [state law definition] (**veterans or surviving spouses of veterans**).

**Elderly preference:** Head or spouse of household is 62 years of age or older.

**Disability preference:** This preference is extended to disabled persons or families with a disabled member as defined in this plan. Proof of disability will be required at time of selection. [HUD regulations prohibit admission preferences for specific types of disabilities] Families at risk of going into a health institution will be selected first in this particular category.

**Homeless preference:**

1. This preference is extended to an individual who lacks a fixed, regular, and adequate night-time residence.
2. An individual who has a primary night-time residence that is supervised publicly or privately; operated shelter designed for temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing)

Applications can be referred to the Housing Choice Voucher Program thru the local Gateway Shelter, the St. Vincent DePaul Center, or Homefull.

Homeless preference will be determined based upon third-party verification of a statement signed by an employee, agent or volunteer of a service provider, an attorney, faith-based provider, a medical professional, or another knowledgeable professional from whom the victim has sought assistance. The professional must attest under penalty of perjury that the applicant in question is currently homeless.

All remaining applications that do not qualify for one of the above preferences will be placed on the waiting list in date and time order of applications.

### **Treatment of Single Applicants**

Single applicants will be treated as any other eligible family on the waiting list.

## **D. INCOME TARGETING**

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

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

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

## **E. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION**

[24 CFR 982.207]

At the time of application, an applicant's entitlement to a local preference may be made on the applicant's certification that they qualify for a preference will be accepted without verification at the initial application. When the family is selected from the waiting list for the final determination of eligibility, the preference will be verified.

If the preference verification indicates that an applicant does not qualify for the preference, the preference will be removed and a letter issued to the applicant that they will be returned to the waiting list according to the date and time of the application.

If, at the time the family applied, the preference claim was the only reason for placement of the family on the list and the family cannot verify their eligibility for the preference as of the date of application, the family will be removed from the list.

#### **F. TARGETED FUNDING** [24 CFR 982.203]

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria.

Applicants who are admitted under targeted funding which are not identified as a Special Admission are identified by specific housing codes in the automated system. The Housing Choice Voucher Program has the following "Targeted" Programs:

- Mainstream for Persons with Disabilities
- Family Unification Program

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

##### **Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the Housing Choice Voucher Department in writing when their circumstances change.

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

The exception to this is, if at the time the family applied, the waiting list was only open to families who claimed that preference. In such case, the applicant must verify that they were eligible for the first preference before they are returned to the waiting list with the new preference.

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

## **Cross-Listing of Different Housing Programs and The Housing Choice Voucher Program**

[24 CFR 982.205(a)]

The Housing Choice Voucher Program will not merge its waiting lists. However, if the Housing Choice Voucher Program's waiting list is open when the applicant is placed on the Asset Management program, or the project-based voucher, or the moderate rehabilitation program waiting list, the Housing Choice Voucher Program must offer to place the family on its tenant-based assistance list.

### **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.

The Housing Choice Voucher Program may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

- Refuse to list the applicant on the Housing Choice Voucher Program waiting list for tenant-based assistance;
- Deny any admission preference for which the applicant is currently qualified;
- Change the applicant's place on the waiting list based on preference, date and time of application, or other factors affecting selection under the Housing Choice Voucher Program's selection policy; or
- Remove the applicant from the waiting list.

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

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

The Housing Choice Voucher Program's method for selecting applicants from a preference category leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the administrative plan.

## **Local Preferences**

Local preferences will be used to select families from the waiting list. All local preferences will be treated equally.

### **Among Applicants with Equal Preference Status**

Among applicants with equal preference status, the waiting list will be organized by date and time.

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

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, the Housing Choice Voucher Department will obtain necessary verifications of preference by third party verification or from the family submitting the verification.

#### **J. PREFERENCE DENIAL** [24 CFR 982.207]

If the Housing Choice Voucher Program denies a preference, the Housing Choice Voucher Program will notify the applicant in writing the reasons why the preference was denied. The applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list.

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

The Waiting List will be purged not more than three times each year by a mailing or automated phone system to all applicants to ensure that the waiting list is current and accurate. The mailing or automated phone system will ask for confirmation of continued interest.

Any mailings or automated phone system to the applicant which require a response will state that failure to respond within ten working days will result in the applicant's name being dropped from the waiting list.

An extension of ten working days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

If an applicant fails to respond to a mailing or automated phone system from the Housing Choice Voucher Program, the applicant will be sent a second notification and given ten working days to contact the Housing Choice Voucher Department. If they fail to respond within ten working days, they will be removed from the waiting list.

If the applicant did not respond to the Housing Choice Voucher Department's request for information or updates because of a family member's disability, the Housing Choice Voucher Department will reinstate the applicant in the family's former position on the waiting list.

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

If a letter is returned with a forwarding address, it will be re-mailed to the address indicated. The applicant file will be noted and the envelope and a copy of the letter will be maintained in the applicant's file.

## **Determination of Insufficient Funding**

### **Overview**

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454].

Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

### **Methodology**

#### **Housing Choice Voucher Policy**

The Housing Choice Voucher Department will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the Housing Choice Voucher Program's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date.

To that figure, the Housing Choice Voucher Department will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families.

The Housing Choice Voucher Department will not consider the cost of vouchers issued that are not under HAP contract in making this determination. If the total annual HAP needs equal or exceed the annual budget authority, or if the Housing Choice Voucher Program cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the Housing Choice Voucher Program will be considered to have insufficient funding.

## Chapter 7

### SUBSIDY STANDARDS

#### **INTRODUCTION**

HUD guidelines require that the Housing Choice Voucher Program establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards. This Chapter explains the subsidy standards that will be used to determine the voucher size (family unit size) for various sized families when they are selected from the waiting list, as well as the Housing Choice Voucher Program's procedures when a family's size changes or a family selects a unit size that is different from the Voucher.

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

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

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

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

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

One bedroom generally will be assigned for each two family members. The Housing Choice Voucher Program will consider factors such as family characteristics including sex, age, or relationship. Consideration will also be given for medical reasons and the presence of a live-in aide.

Generally, the Housing Choice Voucher Program assigns one bedroom to two people within the following guidelines:

Persons of different generations, persons of the opposite sex (other than spouses), and unrelated adults should be allocated a separate bedroom.

Separate bedrooms should be allocated for persons of the opposite sex other than adults who have a spousal relationship.

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

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

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

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

Adults of different generations will have separate bedrooms.

A single pregnant woman with no other family members will be treated as a single parent with one child and will be issued a voucher for a 2 family household.

Single person families shall be allocated one bedroom.

<b>Voucher Size</b>	<b>Persons in Household</b>	
	<b>Minimum Number</b>	<b>Maximum Number</b>
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

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

The Housing Choice Voucher Program shall grant exceptions from the subsidy standards if the family requests. The Housing Choice Voucher Department determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

The Housing Choice Voucher Program will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need, such as a verified medical or health reason or elderly persons or persons with disabilities who may require a live-in attendant.

### **Request for Exceptions to Subsidy Standards**

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

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

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

### **PHA Error**

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

### **Changes for Applicants**

The voucher size is determined prior to the briefing by comparing the family composition to the Housing Choice Voucher Program's subsidy standards. If an applicant requires a change in the voucher size, based on the requirements the Housing Choice Voucher Program's subsidy standards, the above-referenced guidelines will apply.

### **Changes for Participants**

The members of the family residing in the unit must be approved by the Housing Choice Voucher Department. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the Housing Choice Voucher Department within ten working days. The above referenced guidelines will apply.

### **Underhoused Families**

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

The Housing Choice Voucher Department will also notify the family of the circumstances under which an exception will be granted, such as:

**If a family with a disability is underhoused in an accessible unit.**

**If a family requires the additional bedroom because of a health problem that has been verified by the Housing Choice Voucher Department.**

**C. 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 Housing Choice Voucher Program's subsidy standard for a family assisted in the voucher program is based on the Housing Choice Voucher Program's adopted payment standards and is used to determine the family's unit size. The payment standard for a family shall be the *lower of*:

The payment standard amount for the family unit size; or

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

**Utility Allowance:** The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized on the family's Voucher.

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

**\*HQS GUIDELINES FOR UNIT SIZE SELECTED**

<b>Unit Size</b>	<b>Maximum Number in Household</b>
0 Bedroom	1
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14

**Chapter 8**  
**INCOME AND SUBSIDY DETERMINATIONS**  
[24 CFR Part 5, Subparts E and F; 24 CFR 982]

**INTRODUCTION**

A family's income determines eligibility for assistance and is also used to calculate the family's payment and DMHA's subsidy. DMHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and DMHA policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and DMHA policies for calculating annual income are found in Part I.
  
- Part II: Adjusted Income. Once annual income has been established HUD regulations require DMHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and DMHA policies for calculating adjusted income are found in Part II.
  
- Part III: Calculating Family Share and DMHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining DMHA subsidy and required family payment.

**PART I: ANNUAL INCOME**

**OVERVIEW**

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

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

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 9.

### **HOUSEHOLD COMPOSITION AND INCOME**

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

## **Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

## **Absent Full-Time Students**

### DMHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to DMHA indicating that the student has established a separate household or the family declares that the student has established a separate household. A student who attends school more than 150 miles away from home but lives with the family during school recesses will be determined an eligible visitor and will not be listed as a family member. DMHA Management reserves the right to allow a student to be added back to the household upon program eligibility verification.

## ***Court-Ordered Absences***

### DMHA Policy

If a member of the family is subject to a court order that restricts the member from the home, DMHA will determine whether the person will be considered temporarily or permanently absent. If the court order specifies a permanent restriction or if the court restriction exceeds 90 days, the person will no longer be considered a family member. If the individual intends to return to the unit at the end of the restriction, the individual is subject to the eligibility and screening requirements discussed in Chapter 4 of this plan.

## ***Absences Due to Placement in Foster Care***

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

### DMHA Policy

If a child has been placed in foster care, DMHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. The situation is to be reevaluated every 30 days.

If it is confirmed in writing from the appropriate agency that the child will be returned to the home within the next 90 calendar days, the family will retain the voucher issued.

If the child/children are projected to be out of the home for more than 90 days from the initial removal date, the voucher size will be reduced. If the parent has no other children in the home, the parent will retain his/her eligibility as a remaining member of the tenant family.

### ***Absences Due to Incarceration***

#### DMHA Policy

If a family member incarcerated for more than 90 consecutive days, the person will not be considered a family member. If the individual intends to return to the unit following incarceration, the individual is subject to the eligibility and screening requirements discussed in Chapter 4 of this plan.

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

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

#### DMHA Policy

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

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

Families must notify DMHA if they are going to be absent from the unit for more than 29 consecutive days. If the entire family is absent from the assisted unit for more than 30 consecutive days, the unit will be considered to be vacated and the assistance will be terminated. If it is determined that the family is absent from the unit longer than the time specified in this Plan, DMHA will not continued assistance payments.

“Absence” means that no family members are living in the unit.

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

- Write letters to the family at the unit

- Telephone the family at the unit

- Interview neighbors

- Verify if utilities are in service

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar day limit. If the absence which resulted in termination of assistance was due to a person’s disability, and DMHA can verify that the person was unable to notify DMHA in accordance with the family’s responsibilities, and if funding is available, DMHA may reinstate the family as an accommodation if requested by the family.

## ***Absence of Any Member***

### DMHA Policy

Any member of the household will be considered permanently absent if s/he is away from the unit for 90 days in a 12 month period except as otherwise provided in this Chapter.

## **Family Members Permanently Confined for Medical Reasons**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

### DMHA Policy

DMHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. If the verification indicates that the family member will be confined for more than 59 consecutive days, the family member will be considered permanently absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with disabilities.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with “Absence of Entire Family” policy above.

## **Joint Custody of Children**

### DMHA Policy

A child that lives in the unit at least 183 days per year will be considered a family member. If the child lives in the unit fewer than 183 days per year, DMHA will consider the child an eligible visitor but not a family member. The days need not be consecutive.

## **Caretakers for a Child**

### DMHA Policy

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, DMHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will

not be considered a family member until a determination of custody or legal guardianship is made.

- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases DMHA will extend the caretaker's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

### **ANTICIPATING ANNUAL INCOME**

DMHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

#### **Basis of Annual Income Projection**

DMHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes DMHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- DMHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

#### **DMHA Policy**

When DMHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), DMHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to DMHA to show why the historic pattern does not represent the family's anticipated income.

### ***Known Changes in Income***

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

**Example:** An employer reports that a full-time employee who has been receiving \$6/hour will begin to receive \$6.25/hour in the eighth week after the effective date of the reexamination. In such a case DMHA would calculate annual income as follows:  $(\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks})$ .

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases DMHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if DMHA's policy in Chapter 10 does not require interim reexaminations for other types of changes.

### **Using Up-Front Income Verification (UIV) to Project Income**

HUD strongly recommends the use of up-front income verification (UIV). UIV is “the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals” [VG, p. 7].

HUD allows DMHA to use UIV information in conjunction with family-provided documents to anticipate income [UIV].

#### DMHA Policy

DMHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of DMHA interview date.

DMHA will follow “HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available” in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of \$200 or more per month.

**No Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by less than \$200 per month, DMHA will follow these guidelines:

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

If the UIV figure is more than the family's figure, DMHA will use the UIV data 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, DMHA will use the family-provided information.

**Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by \$200 or more per month, DMHA will follow these guidelines:

DMHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

When DMHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), DMHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

DMHA will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

DMHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

## **EARNED INCOME**

### **Types of Earned Income Included in Annual Income**

***Wages and Related Compensation.*** The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

#### **DMHA Policy**

For persons who regularly receive bonuses or commissions, DMHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, DMHA will use the prior year amounts. In either case the family may provide, and DMHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, DMHA will count only the amount estimated by the employer.

***Some Types of Military Pay.*** All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

### **Types of Earned Income Not Counted in Annual Income**

***Temporary, Nonrecurring, or Sporadic Income*** [24 CFR 5.609(c)(9)]. Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed. Such income is not counted.

**Temporary employment payments by the U.S. Census Bureau** [24 CFR 5.609(c)(9)]. DMHA will exclude temporary income payments from the U.S. Census Bureau, defined as employment lasting no longer than 180 days and not culminating in permanent employment. Employer verification of both the employment dates and income amount is to be maintained in the tenant file.

***Children's Earnings.*** Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.) Employment income earned by children does not need to be verified or entered into Visual Homes System. Verification of the child's age is the only necessary requirement.

***Certain Earned Income of Full-Time Students.*** Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

***Income of a Live-in Aide.*** Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

***Income Earned under Certain Federal Programs.*** Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

***Resident Service Stipend.*** Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for DMHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of DMHA’s governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

***State and Local Employment Training Programs.*** Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

#### DMHA Policy

DMHA defines *training program* 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 to 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. 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” [expired Notice PIH 98-2, p. 3].

DMHA defines *incremental earnings and benefits* 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 of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, DMHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with DMHA's interim reporting requirements.

***HUD-Funded Training Programs.*** Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and

modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

#### DMHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

***Earned Income Tax Credit.*** Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

***Earned Income Disallowance.*** The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

#### **EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES** **[24 CFR 5.617]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

### **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

#### DMHA Policy

DMHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

***Initial 12-Month Exclusion.*** During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

#### DMHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

***Second 12-Month Exclusion and Phase-In.*** During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

***Lifetime Limitation.*** The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

#### DMHA Policy

During the 48-month eligibility period, DMHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

## **BUSINESS INCOME [24 CFR 5.609(b)(2)]**

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

### **Business Expenses**

Net income is “gross income less business expense” [HCV GB, p. 5-19].

#### **DMHA Policy**

To determine business expenses that may be deducted from gross income, DMHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

### **Business Expansion**

HUD regulations do not permit DMHA to deduct from gross income expenses for business expansion.

#### **DMHA Policy**

*Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

### **Capital Indebtedness**

HUD regulations do not permit DMHA to deduct from gross income the amortization of capital indebtedness.

#### **DMHA Policy**

*Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means DMHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

## **Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

## **Withdrawal of Cash or Assets from a Business**

HUD regulations require DMHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

### DMHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, DMHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

## **Co-owned Businesses**

### DMHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

## **ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the HCV program. However, HUD requires that DMHA include in annual income the "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, DMHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-4 provides the regulatory definition of *net family assets* as well as a chart from the *HCV Guidebook* that summarizes asset inclusions and exclusions. This section

begins with a discussion of general policies related to assets and then provides HUD rules and DMHA policies related to each type of asset.

## **General Policies**

### ***Income from Assets***

DMHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes DMHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) DMHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, DMHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### DMHA Policy

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to DMHA to show why the asset income determination does not represent the family's anticipated asset income.

### ***Valuing Assets***

The calculation of asset income sometimes requires DMHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash. Examples of acceptable costs include penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

### ***Lump-Sum Receipts***

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

### ***Imputing Income from Assets [24 CFR 5.609(b)(3)]***

When net family assets are \$5,000 or less, DMHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, DMHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

### ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for DMHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

### ***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

### ***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

#### **DMHA Policy**

If an asset is owned by more than one person and any family member has unrestricted access to the asset, DMHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, DMHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, DMHA will prorate the asset evenly among all owners.

### ***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require DMHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

#### *Minimum Threshold*

The *HCV Guidebook* permits DMHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

#### DMHA Policy

DMHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

#### *Separation or Divorce*

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

#### DMHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

#### *Foreclosure or Bankruptcy*

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

## *Family Declaration*

### DMHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. DMHA may verify the value of the assets disposed of if other information available to DMHA does not appear to agree with the information reported by the family.

## **Types of Assets**

### ***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

### DMHA Policy

In determining the value of a checking account, DMHA will use the current balance.

In determining the value of a savings account, DMHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, DMHA will multiply the value of the account by the current rate of interest paid on the account.

### ***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

### DMHA Policy

In determining the market value of an investment account, DMHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), DMHA will calculate asset income based on the earnings for the most recent reporting period.

### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset 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 [HCV GB, p. 5-25].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

#### **DMHA Policy**

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless DMHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

## ***Trusts***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

### ***Revocable Trusts***

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

### ***Nonrevocable Trusts***

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

## ***Retirement Accounts***

### ***Company Retirement/Pension Accounts***

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, DMHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

### ***IRA, Keogh, and Similar Retirement Savings Accounts***

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

## ***Personal Property***

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

### DMHA Policy

In determining the value of personal property held as an investment, DMHA will use the family's estimate of the value. However, DMHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

### DMHA Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

### ***Life Insurance***

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

### **PERIODIC PAYMENTS**

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

#### **Periodic Payments Included in Annual Income**

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

#### **Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

#### DMHA Policy

When a delayed-start payment is received and reported during the period in which DMHA is processing an annual reexamination, DMHA will adjust the family share and DMHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with DMHA.

### **Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]

#### DMHA Policy

DMHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- 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 received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].  
*Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].

### **PAYMENTS IN LIEU OF EARNINGS**

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24

CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

## **WELFARE ASSISTANCE**

### **Overview**

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

### **Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]**

DMHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

### ***Covered Families***

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) 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 such assistance” [24 CFR 5.615(b)]

### ***Imputed Income***

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, DMHA must include in annual income “imputed” welfare income. DMHA must request that the welfare agency inform DMHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

### *Offsets*

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

### **PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

### **Alimony and Child Support**

DMHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

#### DMHA Policy

DMHA will count court-awarded amounts for alimony and child support unless DMHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

### **Regular Contributions or Gifts**

DMHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

#### DMHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by DMHA. For contributions that may vary from month to month (e.g., utility payments), DMHA will include an average amount based upon past history.

### **ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)]
- 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 these exclusions periodically. It includes:
  - (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 submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
  - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

- (f) 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. 2931).)
- (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) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (k) 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.)
- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (m) 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)
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (o) 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)
- (p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (q) 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)
- (r) 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)
- (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

## **PART II: ADJUSTED INCOME**

### **INTRODUCTION**

#### **Overview**

HUD regulations require DMHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [DMHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family;
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

#### **Anticipating Expenses**

##### DMHA Policy

Generally, DMHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), DMHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, DMHA will include as an eligible expense the portion of the debt that the family expects to pay

during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. DMHA may require the family to provide documentation of payments made in the preceding year.

**DEPENDENT DEDUCTION**

A deduction of \$480 is taken for each dependent [ 24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

**ELDERLY OR DISABLED FAMILY DEDUCTION**

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co head, or sole member is a person with disabilities [24 CFR 5.403].

**MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]**

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

The medical expense deduction is permitted only for families in which the head, spouse, or co head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

**Definition of *Medical Expenses***

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “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.”

**DMHA Policy**

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

<b>Summary of Allowable Medical Expenses from IRS Publication 502</b>	
Services of medical professionals	Substance abuse treatment programs

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

**Families That Qualify for Both Medical and Disability Assistance Expenses**

DMHA Policy

This policy applies only to families in which the head, spouse, or co head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, DMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

**DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

**Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

#### DMHA Policy

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

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

#### **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30].

HUD advises DMHAs to further define and describe auxiliary apparatus [VG, p. 30].

#### ***Eligible Auxiliary Apparatus***

##### DMHA Policy

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

#### ***Eligible Attendant Care***

The family determines the type of attendant care that is appropriate for the person with disabilities.

##### DMHA Policy

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

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

If the care attendant also provides other services to the family, DMHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### ***Payments to Family Members***

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

### **Necessary and Reasonable Expenses**

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

#### DMHA Policy

DMHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, DMHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and DMHA will consider, the family's justification for costs that exceed typical costs in the area.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

#### DMHA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, DMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek

employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

### **Clarifying the Meaning of *Child* for This Deduction**

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26].

#### DMHA Policy

For the purposes of child care expenses, DMHA defines *child* to include any foster children under the age of 13 living in an assisted family’s household [HCV GB, p. 5-29].

### **Qualifying for the Deduction**

#### ***Determining Who Is Enabled to Pursue an Eligible Activity***

#### DMHA Policy

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

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

#### ***Seeking Work***

#### DMHA Policy

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

#### ***Furthering Education***

#### DMHA Policy

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

### ***Being Gainfully Employed***

#### DMHA Policy

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

### **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000. DMHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

#### DMHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, DMHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. DMHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

### ***Allowable Child Care Activities***

#### DMHA Policy

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

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

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, DMHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### ***Necessary and Reasonable Costs***

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

#### DMHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

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

## **PART III: CALCULATING FAMILY SHARE AND DMHA SUBSIDY**

### **OVERVIEW OF RENT AND SUBSIDY CALCULATIONS**

### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by DMHA

DMHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

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

### ***Welfare Rent [24 CFR 5.628]***

#### DMHA Policy

Welfare rent does not apply in this locality.

### ***Minimum Rent [24 CFR 5.630]***

#### DMHA Policy

The minimum rent for the Housing Choice Voucher Programs is \$50.00. For all single room occupancy units, the minimum rent will be \$25.00.

### **Family Share [24 CFR 982.305(a)(5)]**

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds DMHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy DMHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

### **DMHA Subsidy [24 CFR 982.505(b)]**

DMHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the

gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

### **Utility Reimbursement [24 CFR 982.514(b)]**

When DMHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits DMHA to pay the reimbursement to the family or directly to the utility provider.

#### DMHA Policy

DMHA will make utility reimbursements to the family.

### **FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

#### DMHA Policy

DMHA has established a minimum rent of \$50.00 for the Housing Choice Voucher Programs. For all single room occupancy units, the minimum rent is \$25.00.

### **Overview**

If DMHA establishes a minimum rent greater than zero, DMHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If DMHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

#### DMHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the

decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

DMHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family’s failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

DMHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member’s income).

- (5) The family has experienced other circumstances determined by DMHA.

DMHA Policy

DMHA has not established any additional hardship criteria.

**Implementation of Hardship Exemption**

***Determination of Hardship***

When a family requests a financial hardship exemption, DMHA must suspend the minimum rent requirement beginning the first of the month following the family’s request.

DMHA then determines whether the financial hardship exists and whether the hardship is temporary (expected to last 90 days or less) or long-term.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<b>Example: Impact of Minimum Rent Exemption</b>			
Assume DMHA has established a minimum rent of \$35.			
<b>Family Share – No Hardship</b>		<b>Family Share – With Hardship</b>	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$35	Minimum rent	\$35	Minimum rent

Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15
-------------------------------------	---

DMHA Policy

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

DMHA will make the determination of hardship within 30 calendar days.

***No Financial Hardship***

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

DMHA Policy

DMHA will require the family to repay the suspended amount within 30 calendar days of DMHA’s notice that a hardship exemption has not been granted.

***Temporary Hardship***

If DMHA determines that a qualifying financial hardship is temporary, DMHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family’s request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay DMHA the amounts suspended. HUD requires DMHA to offer a reasonable repayment agreement, on terms and conditions established by DMHA. DMHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

DMHA Policy

DMHA will enter into a repayment agreement in accordance with the procedures found in Chapter 24 of this plan.

***Long-Term Hardship***

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

DMHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

## **APPLYING PAYMENT STANDARDS [24 CFR 982.505]**

### **Overview**

DMHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of DMHA's payment standards. The establishment and revision of DMHA's payment standard schedule are covered in Chapter 15.

*Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under DMHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If DMHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, DMHA must use the appropriate payment standard for the exception area.

DMHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, DMHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

### **Changes in Payment Standards**

When DMHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

### ***Decreases***

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. DMHA will determine the payment standard for the family as follows:

**Step 1:** At the first regular reexamination following the decrease in the payment standard, DMHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

**Step 2:** DMHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by DMHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. DMHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

**Step 3:** At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless DMHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

### ***Increases***

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

### ***Changes in Family Unit Size***

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, DMHA is allowed to establish a higher payment standard for the family within the basic range.

## **UTILITY ALLOWANCES [24 CFR 982.517]**

### **Overview**

A DMHA-established utility allowance schedule is used in determining family share and DMHA subsidy.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. DMHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection. Costs for telephone, cable/satellite TV, and Internet services are not included in the utility allowance schedule.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 16 of the *HCV Guidebook* provides detailed guidance to DMHA about establishing utility allowance schedules.

DMHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using DMHA subsidy standards. See Chapter 5 for information on DMHA's subsidy standards.

### **Air-Conditioning**

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

#### **DMHA Policy**

DMHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before DMHA will apply this allowance to a family's rent and subsidy calculations.

### **Reasonable Accommodation**

HCV program regulations require a DMHA to approve a utility allowance amount higher than shown on DMHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, DMHA will approve an allowance for air-conditioning, even if DMHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide DMHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

## **Utility Allowance Revisions**

DMHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

Revised utility allowances will be applied to a family's rent and subsidy calculations at the next annual reexamination that is effective after the allowance is adopted [HCV GB, p. 18-9].

## **PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. DMHA must prorate the assistance provided to a mixed family. DMHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if DMHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, DMHA subsidy would be reduced to \$250.

## **Calculating Income**

### ***Wage Calculation***

Wages will be calculated in the following ways:

1. Hourly Rate X Number of Hours per Week X 52 Weeks=Annual Salary
2. When hours vary per week an average of hours will be used.

*For Example: An employee works 10-14hours per week at \$9.00 per hour*

*Calculation: (10 +14=24) (24/2=12) Thus, \$9.00 X 12 Hours X 52 Weeks= Annual Salary*

3. When a summary of gross earnings are provided, look at the data range and determine the number of weeks the employee has worked.

*For Example:*

*Total Base Pay Earnings for the past 12 months: From 1-1-09 To 5-31-09 were \$6,000.00.*

*$\$6,000.00/22 \text{ Weeks} \times 52 \text{ Weeks} = \$14,181.82(\text{Annual Salary})$*

4. **Overtime:** Hourly rate at time and a half  $\times$  hours per week  $\times$  52 Weeks= Annual Overtime Wages
  
5. **Pro Re-Nata PRN Wages:** (Latin for “as requires”) often referred to as “on call” employees who work in the nursing or medical field. This means employees must be scheduled a minimum number of hours per week or month, but can work in excess of that amount. The calculation for using gross earnings will be used.
  
6. **Seasonal Employment:** All wages are calculated and annualized based on 52 work weeks. An employee who only works 42 weeks out of the year will still be calculated at 52 weeks. An interim adjustment will be completed when employees are no longer employed for the summer months. A second adjustment will be completed once the employer determines the employee has returned back to work; basing income on 52 weeks.
  
7. **EIV Printout:** Use 4 consecutive quarters to determine annual wages. If less than 4 quarters are available, use number of quarters given.

*For Example: Q3 \$2,000+ Q4 \$2,000*

*Calculation:  $\$4,000/2 \times 4 = \$8,000$*

8. **Check Stubs:** At least 3 months of consecutive check stubs must be used to annualize the income. Gross wages will always be used.

*For Example:*

*If paid weekly: The total amount of gross earnings divided by the number of check stubs used multiplied by 52 weeks.*

*If paid Bi-weekly: The total amount of gross earnings divided by the number of check stubs used multiplied by 26 weeks.*

**9. Child Support Income Calculation:** When calculating child support income, the following procedure is to be implemented. If a client has not received any payments in the last 30 days we do not count the child support.

When averaging we will use the payments the client has received for the last 3 months. You will add all payments received in the last 3 months. You will divide that answer by 3 then multiply it by 12. This will give you your yearly average. If a client has received the same amount each month for the last 3 months you can multiply the monthly amount by 12 to reach the annual figure.

Example: 6/15 \$35

5/14 \$ 40

4/14 \$ 24

Total is \$99.00 divided by 3 months=33 X12 months=\$396.00 Annually

**EXHIBIT 8-1: ANNUAL INCOME INCLUSIONS**

**24 CFR 5.609**

*(a) Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

*(b) Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31<sup>1</sup>; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

<b>HHS</b>	<b>DEFINITION</b>	<b>OF</b>
<b>"ASSISTANCE"</b>		

**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

---

<sup>1</sup> Text of 45 CFR 260.31 follows.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

## EXHIBIT 8-2: ANNUAL INCOME EXCLUSIONS

### 24 CFR 5.609

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;  
(ii) 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);

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

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for DMHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of DMHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) 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; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to DMHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits
--

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 submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) 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. 2931);

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 \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

k) 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.);

l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

m) 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);

n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

o) 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);

p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

q) 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);

r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

### EXHIBIT 8-3: TREATMENT OF FAMILY ASSETS

#### 24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, DMHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

**EXHIBIT 8-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES**

**24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.**

(a) *Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) *Definitions.* The following definitions apply for purposes of this section.

*Disallowance.* Exclusion from annual income.

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

*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

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

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

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

(c) *Disallowance of increase in annual income—*

(1) 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 responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and DMHase-in. During the second cumulative twelve month period after 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 responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

*(d) Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

**EXHIBIT 8-5: THE EFFECT OF WELFARE BENEFIT REDUCTION**

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") 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 such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to DMHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of DMHA, the welfare agency will inform DMHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform DMHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. DMHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at DMHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to DMHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) DMHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of DMHA decision.*

(1) Public housing. If a public housing tenant claims that DMHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if DMHA denies the family's request to modify such amount, DMHA shall give the tenant written notice of such denial, with a brief explanation of the basis for DMHA determination of the amount of imputed welfare income. DMHA notice shall also state that if the tenant does not agree with DMHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review DMHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on DMHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review DMHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if DMHA denies the family's request to modify such amount, DMHA shall give the family written notice of such denial, with a brief

explanation of the basis for DMHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with DMHA determination, the family may request an informal hearing on the determination under DMHA hearing procedure.

*(e) DMHA relation with welfare agency.*

(1) DMHA must ask welfare agencies to inform DMHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives DMHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) DMHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to DMHA. However, DMHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. DMHA shall be entitled to rely on the welfare agency notice to DMHA of the welfare agency's

determination of a specified welfare benefits | reduction.

## **CHAPTER 9**

### **VERIFICATION**

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230]

#### **INTRODUCTION**

DMHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. DMHA must not pass on the cost of verification to the family.

DMHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary DMHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of DMHA.

#### **PART I. GENERAL VERIFICATION REQUIREMENTS**

##### **FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]**

The family must supply any information that DMHA or HUD determines is necessary to the administration of the program and must consent to DMHA verification of that information [24 CFR 982.551].

##### **Consent Forms**

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and DMHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, DMHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with DMHA procedures.

## **OVERVIEW OF VERIFICATION REQUIREMENTS**

### **HUD's Verification Hierarchy**

HUD authorizes DMHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires DMHA to use the most reliable form of verification that is available and to document the reasons when DMHA uses a lesser form of verification. In order of priority, the forms of verification that may be used are:

- Enterprise Income Verification (EIV) whenever available
- Third-party Written Verification
- Third-party Oral Verification
- Review of Documents
- Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.

### **Requirements for Acceptable Documents**

#### **DMHA Policy**

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to DMHA. The documents must not be damaged, altered or in any way illegible.

DMHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, DMHA would accept the most recent report.

Print-outs from web pages are considered original documents.

DMHA staff member who views the original document must make a photocopy, annotate the copy with the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to DMHA.

## **File Documentation**

DMHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that DMHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## **ENTERPRISE INCOME VERIFICATION (EIV)**

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

DMHA must restrict access to and safeguard EIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and EIV-generated information. No adverse action can be taken against a family until DMHA has independently verified the EIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of DMHA.

## **Definition of Substantial Difference**

EIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the EIV information. In "HUD Guidelines for Projecting Annual Income When EIV Data is Available" [HUD website, April 2004], HUD recommends using \$200 per month as the threshold for a substantial difference. DMHA will therefore use \$200 per month as the threshold for a substantial difference.

See Chapter 6 for DMHA's policy on the use of EIV to project annual income and for DMHA's threshold for substantial difference.

## **When No Substantial Difference Exists**

If EIV information does not differ substantially from family information, the EIV documentation may serve as third-party written verification.

## **When a Substantial Difference Exists**

When there is a substantial difference between the information provided by the EIV source and the family, DMHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

## **THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

## **Reasonable Effort and Timing**

Unless third-party verification is not required as described below, HUD requires DMHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

### DMHA Policy

DMHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

DMHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. DMHA will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 5 business days to respond in writing. If a response has not been received by the 6<sup>th</sup> business day, DMHA will request third-party oral verification.

DMHA will make a minimum of two attempts for written and two attempts oral third party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, DMHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification DMHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, DMHA will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6<sup>th</sup> business day, DMHA will use any information provided orally in combination with reviewing family-provided documents (see below).

## **When Third-Party Information is Late**

When third-party verification has been requested and the timeframes for submission have been exceeded, DMHA will use the information from documents on a provisional basis. If DMHA later receives third-party verification that differs from the amounts used in income and rent

determinations and it is past the deadline for processing the reexamination, DMHA will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of DMHA's interim reexamination policy.

## **When Third-Party Verification is Not Required**

### ***Primary Documents***

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

### ***Certain Assets and Expenses***

DMHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

DMHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

#### DMHA Policy

DMHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$500 annually *and* the family has original documents that support the declared amount.

### ***Certain Income, Asset and Expense Sources***

DMHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, DMHA will rely upon review of documents when DMHA determines that a third party's privacy rules prohibit the source from disclosing information. Another example would be where the Social Security Administration (SSA) has refused to respond to requests for third-party verification.

#### DMHA Policy

DMHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, DMHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

**REVIEW OF DOCUMENTS**

**Using Review of Documents as Verification**

If DMHA has determined that third-party verification is not available or not required, DMHA will use documents provided by the family as verification.

DMHA may also review documents when necessary to help clarify information provided by third parties. In such cases DMHA will document in the file how DMHA arrived at a final conclusion about the income or expense to include in its calculations.

**SELF-CERTIFICATION**

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to DMHA.

DMHA Policy

DMHA may require a family to certify that a family member does not receive a particular type of income or benefit.

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

**PART II. VERIFYING FAMILY INFORMATION**

**VERIFICATION OF LEGAL IDENTITY**

DMHA Policy

DMHA will require families to furnish verification of legal identity for each household member.

<b>Verification of Legal Identity for Adults</b>	<b>Verification of Legal Identity for Children</b>
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicle identification card	Custody agreement
U.S. military discharge (DD 214)	Health and Human Services ID
U.S. passport	School records
Employer identification card	

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at DMHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to DMHA and be signed in the presence of a DMHA representative or DMHA notary public.

Legal identity will be verified on an as needed basis.

### **SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV GB, p. 5-12]**

For every family member age 6 or older, the family must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

#### **DMHA Policy**

DMHA will also accept the following documents as evidence if the SSN is provided on the document:

- Driver's license

- Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union

- Payroll stubs

- Benefit award letters from government agencies; retirement benefit letters; life insurance policies

- Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, DMHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. DMHA will require documentation of the SSN within 60 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

#### **DMHA Policy**

DMHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, DMHA will grant an additional 60 calendar days to provide documentation.

Social security numbers must be verified only once during continuously-assisted occupancy.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination. In addition, if a child reaches the age of 6 and has no SSN, the parent or guardian must execute a self-certification stating that the child has no SSN at the next regularly scheduled reexamination.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

## **DOCUMENTATION OF AGE**

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

### **DMHA Policy**

If an official record of birth or evidence of social security retirement benefits cannot be provided, DMHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

## **FAMILY RELATIONSHIPS**

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

### **DMHA Policy**

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

## **Marriage**

### **DMHA Policy**

Certification by the head of household is normally sufficient verification. If DMHA has reasonable doubts about a marital relationship, DMHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, DMHA will only confer common law marital status to those who have been found to be common law married by a court of proper jurisdiction.

## **Separation or Divorce**

### DMHA Policy

Certification by the head of household is normally sufficient verification. If DMHA has reasonable doubts about a separation or divorce, DMHA will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

## **Absence of Adult Member**

### DMHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

## **Foster Children and Foster Adults**

### DMHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## **VERIFICATION OF STUDENT STATUS**

### DMHA Policy

DMHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

## **DOCUMENTATION OF DISABILITY**

DMHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. DMHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. DMHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If DMHA receives a verification document that provides such information, DMHA will not place this information in the tenant file. Under no circumstances will DMHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at [www.os.dhhs.gov](http://www.os.dhhs.gov).

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

### **Family Members Receiving SSA Disability Benefits**

DMHA will attempt to obtain information about disability benefits through the HUD UIV System when it is available, or HUD's Tenant Assessment Subsystem (TASS). If the HUD UIV System or TASS is not available, DMHA will attempt to obtain third-party written/oral verification from the SSA. If third-party verification is not available, the family may provide an original SSA document that confirms the current benefits.

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

## **Family Members Not Receiving SSA Disability Benefits**

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## **CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]**

### **Overview**

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and DMHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

### **U.S. Citizens and Nationals**

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

DMHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

#### DMHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless DMHA receives information indicating that an individual's declaration may not be accurate.

### **Eligible Immigrants**

#### ***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been

granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 9-2 at the end of this chapter summarizes documents family members must provide.

***DMHA Verification*** [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in this chapter. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, DMHA must verify immigration status with the Bureau of Citizenship and Immigration Services (BCIS).

DMHA will follow all BCIS protocols for verification of eligible immigration status.

**VERIFICATION OF PREFERENCE STATUS**

DMHA must verify any preferences claimed by an applicant.

DMHA Policy

DMHA offers no preferences; therefore no verification of preferences is required.

**PART III. VERIFYING INCOME AND ASSETS**

Chapter 8, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides DMHA policies that supplement the general verification procedures specified in Part I of this chapter.

**EARNED INCOME**

DMHA Policy

**Tips**

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

**BUSINESS AND SELF EMPLOYMENT INCOME**

DMHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses

must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

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

DMHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination DMHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, DMHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months DMHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

## **PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

### **DMHA Policy**

DMHA will attempt to obtain information about social security/SSI benefits through the HUD UIV System or the Tenant Assessment Subsystem (TASS) when available. If not available, DMHA will attempt to contact the SSA for third-party written/oral verification of payments. If third-party verification is not available through either source, the family may provide an original SSA document that confirms the current benefits.

## **ALIMONY OR CHILD SUPPORT**

### **DMHA Policy**

The way DMHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order.

If payments are made through a state or local entity, DMHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.

Third-party verification from the person paying the support

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

Copy of the latest check and/or payment stubs

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

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

## **ASSETS AND INCOME FROM ASSETS**

### **Assets Disposed of for Less than Fair Market Value**

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. DMHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

#### DMHA Policy

DMHA will verify the value of assets disposed of only if:

DMHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and DMHA verified this amount. Now the person reports that she has given this \$10,000 to her son. DMHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, DMHA will verify the value of this asset.

## **NET INCOME FROM RENTAL PROPERTY**

### **DMHA Policy**

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, DMHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **RETIREMENT ACCOUNTS**

### **DMHA Policy**

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, DMHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

*Upon* retirement, DMHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

*After* retirement, DMHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

## **INCOME FROM EXCLUDED SOURCES**

A detailed discussion of excluded income is provided in Chapter 8, Part I.

DMHA must obtain verification for income exclusions only if, without verification, DMHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, DMHA will confirm that DMHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

### DMHA Policy

DMHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, DMHA will report the amount to be excluded as indicated on documents provided by the family.

### **ZERO ANNUAL INCOME STATUS**

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

## **PART IV. VERIFYING MANDATORY DEDUCTIONS**

### **DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS**

The dependent and elderly/disabled family deductions require only that DMHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

#### **Dependent Deduction**

See Chapter 8 for a full discussion of this deduction. DMHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

#### **Elderly/Disabled Family Deduction**

See Eligibility chapter for a definition of elderly and disabled families and Chapter 8 for a discussion of the deduction. DMHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

### **MEDICAL EXPENSE DEDUCTION**

Policies related to medical expenses are found in Chapter 8. The amount of the deduction will be verified following the standard verification procedures described in Part I.

## **Amount of Expense**

### DMHA Policy

DMHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case DMHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. DMHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, DMHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

## **Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. DMHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 9 of this plan.

## **Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 8 for DMHA's policy on what counts as a medical expense.

## **Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

### DMHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

### **Expenses Incurred in Past Years**

#### DMHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, DMHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

### **DISABILITY ASSISTANCE EXPENSES**

Policies related to disability assistance expenses are found in Chapter 8. The amount of the deduction will be verified following the standard verification procedures described in Part I.

### **Amount of Expense**

#### *Attendant Care*

#### DMHA Policy

DMHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

#### *Auxiliary Apparatus*

#### DMHA Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, DMHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in this chapter).
- The expense permits a family member, or members, to work (as described in Chapter 8).
- The expense is not reimbursed from another source (as described in Chapter 8.).

### **Family Member is a Person with Disabilities**

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. DMHA will verify that the expense is incurred for a person with disabilities.

### **Family Member(s) Permitted to Work**

DMHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

#### DMHA Policy

DMHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See Chapter 8.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

### **Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

#### DMHA Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

## **CHILD CARE EXPENSES**

Policies related to child care expenses are found in Chapter 8. The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, DMHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

### **Eligible Child**

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. DMHA will verify that the child being cared for (including foster children) is under the age of 13.

### **Unreimbursed Expense**

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

#### **DMHA Policy**

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

### **Pursuing an Eligible Activity**

DMHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

#### **DMHA Policy**

##### *Information to be Gathered*

DMHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

### *Seeking Work*

Whenever possible DMHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases DMHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to DMHA any reports provided to the other agency.

In the event third-party verification is not available, DMHA will provide the family with a form on which the family member must record job search efforts. DMHA will review this information at each subsequent reexamination for which this deduction is claimed.

### *Furthering Education*

DMHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

### *Gainful Employment*

DMHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

## **Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 8.

### DMHA Policy

DMHA will verify that the type of child care selected by the family is allowable, as described in Chapter 8.

DMHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

DMHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

## **Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

### DMHA Policy

The actual costs the family incurs will be compared with DMHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, DMHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**Exhibit 9-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)**

<b>Upfront (UIV)</b>	<b>Highest (Highly Recommended, highest level of third party verification)</b>
<b>Written 3<sup>rd</sup> Party</b>	<b>High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)</b>
<b>Oral 3<sup>rd</sup> Party</b>	<b>Medium (Mandatory if written third party verification is not available)</b>
<b>Document Review</b>	<b>Medium-Low (Use on provisional basis)</b>
<b>Tenant Declaration</b>	<b>Low (Use as a last resort)</b>

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				
<p><b>Verification of Employment Income:</b> The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.</p> <p><b>Effective Date of Employment:</b> The PHA should always confirm start and termination dates of employment.</p>					

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
<b>Verification of Self-Employment Income:</b> Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. <b>(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)</b>	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. <b>(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)</b>	The PHA may accept an original SSA Notice from the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Child Support	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
Unemployment Benefits	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call the State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
	Use of HUD systems, when available.				
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. <b>Note: The PHA must document in the tenant file, the reason third party verification was not available.</b>	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. <b>Note: The PHA must document in the tenant file, the reason third party verification was not available.</b>
Comments	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	<b>Note:</b> The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. <b>Notarized statement should include a perjury penalty statement.</b>
<b>Note:</b> The PHA must not pass verification costs along to the participant.					
<b>Note:</b> In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)					

**Exhibit 9-2: Summary of Documentation Requirements for Noncitizens  
[HCV GB, pp. 5-9 and 5-10]**

<ul style="list-style-type: none"> <li>• All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to DMHA.</li> <li>• Except for persons 62 or older, all noncitizens must sign a verification consent form</li> <li>• Additional documents are required based upon the person's status.</li> </ul>	
<p><b>Elderly Noncitizens</b></p> <ul style="list-style-type: none"> <li>• A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.</li> </ul>	
<p><b>All other Noncitizens</b></p> <ul style="list-style-type: none"> <li>• Noncitizens that claim eligible immigration status also must present the applicable BCIS document. Acceptable BCIS documents are listed below.</li> </ul>	
<ul style="list-style-type: none"> <li>• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)</li> <li>• Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> <li>• “Admitted as a Refugee Pursuant to Section 207”</li> <li>• “Section 208” or “Asylum”</li> <li>• “Section 243(h)” or “Deportation stayed by Attorney General”</li> <li>• “Paroled Pursuant to Section 221 (d)(5) of the BCIS”</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> <li>• A final court decision granting asylum (but only if no appeal is taken);</li> <li>• A letter from a BCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a BCIS district director granting asylum (application filed before 10/1/90);</li> <li>• A court decision granting withholding of deportation; or</li> <li>• A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.</li> </ul>	<ul style="list-style-type: none"> <li>• Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.</li> </ul>
<ul style="list-style-type: none"> <li>• A receipt issued by the BCIS 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</li> <li>• Other acceptable evidence. If other documents are determined by the BCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the <i>Federal Register</i></li> </ul>	

## Chapter 10

### VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

#### **INTRODUCTION**

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

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

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

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

#### **MOVING PROCESS – 30/60 DAY NOTICE TO VACATE**

The family can give a 30 or 60 day notice to move once the first year of the lease has transpired and no other lease has been signed; with DMHA's approval. The family must come to the Section 8 Office to complete the Notice to Vacate Packet. If the family is responsible for water according to the lease, they have to provide a printout from the water company stating the account is at a zero balance. At that time an appointment will be scheduled for the family to be issued a voucher and RTA paperwork in order to begin the moving process.

There will be a copy of the notice given to the family for them to provide to the owner. It is the family's responsibility to provide written notice to the owner of the intent to move. DMHA will send courtesy letters confirming the notice and obligations for both parties involved.

### **CANCELLATION OF "NOTICE TO VACATE"**

There are some circumstances in which the agency will accept a cancellation of a Notice to Vacate. The family must complete the appropriate form. Management will review to determine if the Cancellation Form will be granted. Both parties must be in agreement that the tenant will remain in the same unit from the Notice to Vacate. The completed Form has to be received by the agency before the expired contract date. Once the completed form is submitted the Section 8 Auditor will move the family back into the system. The family would still be responsible for the Section 8 yearly requirements missed during the time that the Contract was cancelled.

### **MUTUAL TERMINATION**

If the family/owner would like to terminate the Lease/Contract before the year has transpired, then a mutual termination form would have to be signed by both parties. Both parties have to be in agreement of the terminating of the Lease/Contract. The date of the termination has to be the last day of any month.

The family/owner has to request the mutual termination form in writing. The Section 8 Leasing Specialist will mail out the Mutual Termination Letter with Form to the parties involved. If the family is responsible for the water according to the lease, they have to provide a water account printout from the water company stating the account is at a zero balance. Once DMHA receives the completed Mutual Termination Form, an appointment will be schedule by the Receptionist or one of the Section 8 Leasing Team.

### **ABATEMENT**

Every month inspections abate units that have not met the HQS standards after two inspections plus a 30 day grace period. If an owner expresses that they will not be repairing the failed items on inspection, the owner will have to submit in writing to the agency to waive the second inspections and/or the 30 day grace period so the agency can refer the family to inspection without the delay. These cases are referred to the Leasing Department for the agency to issue voucher/RTA papers for the family to locate a new unit. Inspection places a hold on the unit so no HAP payments are sent to the owner. The contract is not cancelled until the family locates another passed unit or if the family moves out of the unit.

The family is scheduled to be issued a voucher/RTA papers to start the moving process, once the Leasing Team double checks to see if the unit has passed a recent inspection. At any time the owner can request an inspection on the property. The searching process can be cancelled at any time if the unit passes. If the family still wants to move they have to give a 30/60 day notice to do so. If they are responsible for water then the agency will need a print out from the water company stating the account is at a zero balance.

## **FORECLOSURES ON ASSISTED UNITS**

If the family/owner has acquired documents that the assisted unit is under foreclosure, the family/owner is required to notify DMHA in writing and attach the foreclosure documents, such as, Sheriff's notice, foreclosure Court order, public notice of a sale, etc. DMHA will place the HAP payments on hold and schedule the family an appointment to issue a voucher/RTA papers to start the moving process. No water bill is needed.

The Contract will be cancelled only if the family moves from the unit or another unit has been approved for the family to move to under the program.

The payment will only resume if the owner can provide forbearance paper work from the bank and the family still resides in the unit.

### **B. BRIEFING TYPES AND REQUIRED ATTENDANCE** [24 CFR 982.301]

#### **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in a group meeting. Families who attend group briefings and still have the need for individual assistance will be referred to a Housing Specialist for additional assistance.

Briefings will be conducted in English.

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

DMHA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval of DMHA, may be denied admission based on failure to supply information needed for certification. DMHA will conduct individual briefings for families with disabilities, upon written request by the family, if required for reasonable accommodation.

#### **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. DMHA also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials

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

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

Where the family may lease a unit. For family that qualifies to lease a unit outside DMHA jurisdiction under portability procedures, the information must include an explanation of how portability works.

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

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

A statement of DMHA policy on providing information about families to prospective owners.

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

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

The HUD pamphlet on lead-based paint entitled *Protect Your Family From Lead in Your Home*.

Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form and the address and phone number of the local fair housing agency and the HUD enforcement office.

A list of landlords or other parties willing to lease to assisted families or help in the search and known units available for the voucher issued. The list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.

If the family includes a person with disabilities, notice that DMHA will provide a list of available accessible units known to DMHA.

The family obligations under the program.

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

DMHA informal hearing procedures including when DMHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

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

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

A HQS booklet listing standards unit must meet and sample contract.

Procedures for notifying DMHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

The family's rights as a tenant and a program participant.

Requirements for reporting changes between annual recertifications.

Information on security deposits.

Exercising choice in residency

Choosing a unit carefully and only after due consideration.

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

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

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

DMHA has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

DMHA has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The assistance provided to such families includes:

- \* Providing families with a search record form to gather and record info.
- \* Direct contact with landlords.
- \* Counseling with the family.
- \* Providing information about services in various non-impacted areas.
- \* Meeting with neighborhood groups to promote understanding.
- \* 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

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

DMHA will give participants a copy of HUD Form 903 to file a complaint.

**E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313]

The owner is not required to but may collect a security deposit from the tenant.

Security deposits charged to families may be any amount the owner wishes to charge but may not exceed those charged to unassisted tenants (nor the maximum prescribed by State or local law.)

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

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

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

Dayton Metropolitan Housing Authority  
 Administrative Plan  
 Board Approved 6.16.10

## **Expirations**

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

If the voucher has expired, and has not been extended by DMHA or expires after an extension, the family will be denied assistance.

## **Suspensions**

When a Request for Approval of Tenancy is received, DMHA will deduct the number of days required to process the request from the 60-day term of the voucher.

## **Extensions**

Extensions are permissible at the discretion of DMHA up to a maximum of an additional 60 days for the following reason:

- \* Extenuating circumstances such as hospitalization for an extended period of time that has affected the family's ability to find a unit within the initial sixty-day period. Written verification is required.

The initial search period for VASH and non-elderly disabled vouchers will consist of 120 days with an extension being granted up to a maximum of 60 days at the discretion of DMHA.

No other extensions will be granted to a family.

## **Assistance to Voucher Holders**

Voucher holders will be notified at their briefing session that DMHA periodically updates the listing of available units and how the updated list may be obtained.

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

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

[24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, DMHA must determine which of the newly formed families will retain the Housing Voucher.

Dayton Metropolitan Housing Authority  
Administrative Plan  
Board Approved 6.16.10

Where DMHA must make a determination as to who will retain the Housing Voucher, the Housing Voucher may be retained by either of the two new family units where there is mutual consent of the heads of the two new family units. If consent cannot be reached, DMHA shall consider which family member has physical custody of the children and/or whether domestic violence was involved in the breakup.

If there are no children in the household and the parties remain eligible and cannot make a decision as to that remains the Housing Voucher, the Housing Authority will hold the Housing Voucher for ninety days pending a decision by the parties. After that time, if there is no decision, the Housing Choice Voucher will be awarded to the person who remains at the unit address listed on the full application on file with DMHA.

Documentation as to these factors will be the responsibility of the requesting parties. If documentation is not provided, DMHA reserves the right to make the decision based on who is listed as head on the application.

As exception may be granted in the case of a battered spouse, with verification of this situation being the same as the preference verification for domestic violence.

## Chapter 11

### REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

[24 CFR 982.302]

#### **INTRODUCTION** [24 CFR 982.305(a)]

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

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

#### **A. REQUEST FOR TENANCY APPROVAL** [24 CFR 982.302, 982.305(b)]

The Request for Tenancy Approval (RTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the Request for Tenancy Approval in the form and manner required by GDPM. The Request for Tenancy Approval must be signed by both the owner and voucher holder.

GDPM will not permit the family to submit more than one RTA at a time.

GDPM will review the Request for Tenancy Approval documents to determine whether or not they are approvable. The request will be approved if:

The unit is an eligible type of housing

The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan)

The rent is reasonable

The security deposit is approvable in accordance with any limitations in this plan.

The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" section below).

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" chapter of this Administrative Plan).

### **Disapproval of RTA**

If GDPM determines that the request cannot be approved for any reason, the landlord and the family will be notified in writing. GDPM will instruct the owner and family of the steps that are necessary to approve the request.

The owner will be given five working days from the date of the disapproval letter to contact the leasing department if the reason for disapproval can be corrected (ex: lowering requested contract rent, change in utility responsibility).

When, for any reason, an RTA is not approved, GDPM will furnish another RTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

All client-paid water bills must be current at the time prior to signing the lease or contract for a new unit. PAID means; Paid in Full; Repayment Agreement with Water Company that is in good standing. If one of these two items is not submitted to GDPM at the time of the lease signing, GDPM will not allow the client to transfer to a new unit until all documents are submitted. Upon signing a new lease, the client is responsible for the water bill through the "hold through date" or until the keys are returned to the owner, which ever is first. Keep in mind the existing time frames on current search time still applies and if a tenant does not comply with the water bill rule they may be terminated from the program because the voucher has timed out.

## **B. ELIGIBLE TYPES OF HOUSING** [24 CFR 982.353]

GDPM will approve any of the following types of housing in the voucher program:

All structure types can be utilized.

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

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

Group homes

Shared Housing

Congregate facilities (only the shelter rent is assisted)

Single room occupancy

Units owned (but not subsidized) by GDPM (following HUD-prescribed requirements).

A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

GDPM may not permit a voucher holder to lease a unit that is receiving project-based HCV assistance or any duplicative rental subsidies.

**C. INITIAL INSPECTIONS** [24 CFR 982.305(a) & (b), 982.405]

See "Housing Quality Standards and Inspections" chapter of this Administrative Plan.

**D. RENT LIMITATIONS** [24 CFR 982.507]

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

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

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

**E. DISAPPROVAL OF PROPOSED RENT** [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable, at the family's request, GDPM will negotiate with the owner to reduce the rent to a reasonable rent. If the rent is not affordable because the family share would be more than 40% of the family's monthly adjusted income, GDPM will negotiate with the owner to reduce the rent to an affordable rent for the family.

At the family's request, GDPM will negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to owner.

If the rent can be approved after negotiations with the owner, GDPM will continue processing the Request for Tenancy Approval and lease. If the revised rent involves a change in the provision of utilities, the RTA on file will be noted and initialed and dated by staff.

If the owner does not agree on the rent to owner after GDPM has tried and failed to negotiate a revised rent, GDPM will inform the family and owner that the lease is disapproved.

**F. INFORMATION TO OWNERS** [24 CFR 982.307(b), 982.54(d)(7)]

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

GDPM will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

GDPM 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 GDPM's policy on release of information to prospective landlords will be included in the briefing packet that is provided to the family.

**G. OWNER DISAPPROVAL** [24 CFR 982.306]

See chapter on "Owner Disapproval and Restriction."

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

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified and the total family share will be recalculated. If the family does not report any change, GDPM need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 days old.

**I. ANNUAL INSPECTIONS** [24 CFR 982.551 (d), 982.405]

**Responsibility of the family to allow Inspections:**

GDPM must be allowed to inspect the unit at reasonable times with reasonable notice.

**Inspections will be conducted normally on business days only. However, GDPM reserves the right to perform inspections or hire contractors to perform inspections outside GDPM's normal business hours with proper notification given. These hours will be between 8:00a.m.-5:00p.m. on Saturday or Sunday.**

The family and landlord are notified of the inspection appointment by mail. If the family is not able to be at home, they should make arrangements to have an adult family representative or the landlord present.

The inspectors will call the landlord and tenant prior to arriving at the unit for inspection. It is the responsibility of the landlord and tenant to make sure that the Housing Choice Voucher department has a correct phone number to call. A landlord/tenant cannot cancel an inspection or ask for a different time for inspection during this phone call. GDPM will not recognize this phone conversation as any type of cancellation for an inspection. If there is no answer or the number is not correct the inspector will proceed to the property as if the landlord/tenant were there.

If the family misses the inspection appointment and does not arrange for a representative or the landlord to be there, one more inspection (or re-inspection) appointment will be rescheduled.

If the family misses two inspection appointments, GDPM will consider the family to have violated a family obligation and their assistance will be terminated, following the Termination of Assistance Notice, giving the family ten working days to request an informal hearing.

If the family does not contact GDPM within the time period of the Informal Hearing request, GDPM will send the Termination of HAP Contract with a thirty-day notice, prior to the first of the month, to the landlord.

If the family responds to the Termination Notice within ten working days by contacting GDPM, an Informal Hearing will be scheduled and conducted as outlined in Chapter 22.

**All inspections conducted are required to have pictures taken of the unit and will be kept on file to ensure consistency of HQS Standards and to help with the settling of any disputes.**

## Chapter 12

# HOUSING QUALITY STANDARDS AND INSPECTIONS

[24 CFR 982.401]

### **INTRODUCTION**

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

If an owner requests an initial inspection by filling out our RTA (Request for Tenancy Approval) packet the unit must be in move-in condition by the date listed on the RTA packet. Move-in condition means painted inside/outside, plumbing, electrical, HVAC in proper working condition and all workmanship must be presentable cosmetically. There must not be any work in progress. There must not be any work supplies or previous tenant's belongings in the unit and the previous tenant cannot be living in the unit.

GDPM will inspect each unit under contract at least annually. GDPM will also have an independent contractor perform quality control inspections on the number of files required for file sampling by SEMAP annually to maintain GDPM's required standards and to assure consistency in GDPM's program. This chapter describes GDPM's procedures for performing HQS and GDPM standards for the timelines of repairs. The use of the term "HQS" in this administrative plan refers to the combination of both HUD and GDPM requirements.

### **A. GUIDELINES/TYPES OF INSPECTIONS** [24 CFR 982.405]

GDPM has adopted local requirements of acceptability in addition to those mandated by HUD regulations.

Inspections are scheduled during business hours between 8:30 a.m. and 4:00 p.m. At GDPM's discretion inspections may be scheduled on Saturdays or outside of regular business hours.

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. GDPM will not promote any additional acceptable criteria which is likely to adversely affect health or safety of participant families, or severely restrict housing choice.

All utilities must be in service prior to the date of first inspection. DP&L (electric) must have a green tag. Vectren (gas) lock stop cannot be tampered with. If the utilities are not in service at the time of the inspection, the inspector will notify the tenant or owner (whomever is

responsible for the utilities according to RTA) to have the utilities turned on. Another inspection date will be scheduled for the unit by letter.

If the tenant is responsible for supplying the stove and/or the refrigerator, GDPM will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS. GDPM will conduct a re-inspection.

When a client gives GDPM notice that they want to vacate their current unit, if they are responsible for the water bill they must provide proof of a current paid water bill prior to receiving a new RTA packet for transferring. Paid means paid in full. This is the only time GDPM will check this information. Upon signing a new lease, the client is responsible for the water bill through the “hold through date” or until keys are returned to the owner, whichever is first. It is the homeowner’s responsibility to make sure that the water bill for their property is kept current.

NOTE: This applies if all mechanical systems are operating properly in the dwelling unit.

There are eight types of inspections GDPM will perform:

1. Initial /Move-in: Conducted upon receipt of Request for Tenancy Approval
2. Annual: Must be conducted within twelve months of the last annual inspection.
3. Re-inspections – Annual, initial, complaint
4. Move-Out/Vacate If homeowner believes there are tenant-caused damages which exceed the amount of the deposit a move out inspection can be requested. See Chapter 21.
5. Special/Complaint: A complaint inspection can be requested by the tenant, owner, agency or other Third party. When a tenant requests a complaint inspection they are asked if they notified the landlord of the issue and given them an appropriate amount of time to address the repair. All complaint inspection requested from a tenant must be scheduled for inspection.
4. Quality Control
5. Utility Inspections
6. Weather Extension inspections where extensions may have been granted during winter months. **No weather extensions will be granted to Initial inspections.**

## **B. INITIAL HQS INSPECTION** [24 CFR 982.401(a), 982.305(b) (2)]

### Timely Initial HQS Inspection

GDPM will inspect the unit, determine whether the unit satisfies the HQS and notify the family and owner of the determination within 15 days unless HCV Management determines that it is unable to do so in the stated timeframe, in which case the file will be appropriately documented

If during the initial inspection, more than 15 HQS violations (Deficiencies) are found, the inspection will terminate and a re-inspection will be rescheduled on the next available date; this will be considered an inconclusive inspection. A notice will be sent to the owner stating the unit had more than 15 HQS deficiencies and therefore was not ready for inspection.

If the unit does not pass the second scheduled inspection or if the inspector is unable to conduct the inspection due to the owner or tenant's negligence; the tenant will be scheduled to receive another RTA packet for any time that they have left on their voucher to look for another unit.

GDPM will make every reasonable effort to conduct initial HQS inspections for the family and owner in a manner that is time efficient and indicative of good customer service.

When an owner/landlord does not feel he/she are ready for the first inspection, a call at least 48 hours prior to the inspection can be made to the HCV office to cancel the inspection and have another date scheduled. For first inspections, one cancellation will be allowed. **Reinspections will not be allowed to be rescheduled.**

NOTE: For initial/move in and move out inspections, the homeowner, property manager or maintenance representative must be present for these inspections to be initiated and completed. For all other types of inspection the tenant or a responsible party must be present to allow the inspector into the unit. A responsible party is someone 18 years or older.

The Initial Inspection will be conducted to:

Determine if the unit and property meet HQS defined in this Plan.

Document the current condition of the unit as to assist in future evaluations whether the condition of the unit exceeds normal wear and tear.

Document the information to be used for determination of rent-reasonableness.

### **C. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS [24 CFR 982.401 (a)]**

GDPM adheres to the acceptability criteria in the program regulations and local codes

#### **Environmental Requirements:**

**General Health and Safety:**

- 1) The exterior open space around each dwelling shall be maintained or so improved as to provide for:
  - a) The immediate diversion of water away from the buildings and proper drainage of the lot.
  - b) Grass, plantings, or other suitable ground cover to prevent soil erosion which is or may become detrimental to the structures, lot use, or adjacent lots and structures.
- 2) All sidewalks, steps, driveways, parking spaces and similar paved areas for public use shall be kept in a state of repair. If any sidewalk, driveway, or portion thereof has a lateral heave of  $\frac{3}{4}$  an inch or a separation of  $\frac{3}{4}$  an inch, the sidewalk or driveway or portion of shall be repaired or replaced.
- 3) All areas shall be kept free from weeds or plant growth which would constitute an unkempt appearance. Tree branches shall be cut back from roofs.
- 4) No unregistered and/or un-inspected motor vehicle shall be parked on any property and tires must be inflated. No vehicle shall at any time be in a state of disassembly, disrepair, or shall it be in the process of being stripped or dismantled. A vehicle of any type shall not at any time undergo major overhaul, including bodywork, in a residential district.
- 5) All accessory structures to the dwellings, including detached garages (whether or not they are a part of the rental agreement), fences (fence, posts and poles must be removed if it is determined they are hazardous), storage sheds and walls shall be maintained structurally sound, in good repair and free of peeling paint or such structures shall be razed to grade level and debris removed from premises.
- 6) The site and immediate neighborhood must be free from conditions which would seriously and continuously endanger the health or safety of the family, such as:
  - a) other building on, or near the property that could pose serious hazards such as dilapidated or vacant dwelling; if such properties are not owned by the HCV owner, a letter must be provided showing the owner has reported these conditions to the city;
  - b) heavy accumulation of trash or debris on site or adjacent property. This situation could also create rodent infestation;
  - c) abnormal air pollution or smoke which continues throughout the year;
  - d) proximity to open sewage or other hazards.

- e) smoke alarms must be operable at all times – owner responsibility
- f) all utilities must be maintained in the unit at all times.

**Curb Appeal:**

All units shall be maintained to be free of trash, debris, and belongings that create an unsightly appearance for the neighborhood. Lawns, shrubbery, and trees shall be cut and trimmed during growing seasons. Trees are to be cut back on a 3ft radius away from roofs and rakes. Shrubs are to be trimmed back 12 to 18 inches away from houses or buildings; this includes property lines and fence lines.

**Exterior Structure-Common Areas:**

Every foundation, floor, wall, ceiling, and every roof of every dwelling shall be constructed and maintained and be kept in good repair and in safe condition so as to make all occupied rooms and other interior areas weather tight, rodent proof, and so as to be fit for human habitation and not adversely affect the neighborhood in which they are located. Good repair, maintenance, and safe conditions shall include, but are not limited to, the following:

- 1) Foundations shall support the building at all points and shall be free of all holes and cracks which admit rodents, water or dampness to the interior of the building or lessen the capability of the foundation to support the building.
- 2) Every exterior wall shall be free of holes, breaks, loose or rotting boards or timbers, and any other conditions which might admit rain or dampness to the interior portions of the walls or to the occupied spaces of the building. All exterior surface materials, including wood, or metal siding, shall be maintained to be weatherproof and shall be properly surface coated to prevent deterioration. In addition, exterior wall structures and the exterior wall surface must not have any serious defects such as leaning, buckling, sagging, large holes or other serious damage to the structure or defects that could result in air infiltration.
- 3) All windows shall be fully supplied with window glass which is glazed and without cracks or holes. Windows shall have sashes in good condition which fit reasonably well within frames and are capable of being easily opened and held in position by hardware, including window locks on all floors of the unit. Windows will be maintained so as to prevent inclement weather from entering the structure.
- 4) Every exterior door shall be maintained so as to be structurally sound, fit well within frames so as to be weatherproof and waterproof. Exterior doors shall be fitted with secure strike plates, door hinges and door latches which are in good working condition. Door locks shall be in good repair and capable of tightly securing the door. Exterior doors are doors by which someone can enter and exit the dwelling unit. Keys must be provided for all locks. Doors leading to the outside, attached garages and common

- hallways, fire escapes and porches otherwise accessible from the inside must have doorknobs and deadbolts. Deadbolts cannot be double keyed locks (interior side of deadbolt lock must have thumb/turn latch).
- 5) Roof members, coverings, shingles, and flashing shall be provided so as to prevent the entrance of moisture from causing dampness in the interior portion of the dwelling and be maintained by renewal, repair, waterproofing, or other suitable means.
  - 6) Rain gutters, downspouts and leaders, or rain diverters and splash blocks shall be provided to collect, conduct and discharge all water from the roof and maintained so as not to leak or cause dampness in the walls, ceilings, or basements or adversely affect the adjacent properties. Gutters shall be kept free of debris. If gutters are not present on detached garage, gutters are not required.
  - 7) All chimneys cooling towers, smoke stacks, and similar accessories shall be maintained structurally safe, sound, and in good repair. All exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather coating materials such as paint or similar surface treatment.
  - 8) Porches, railings, and stairs shall be so constructed and maintained so as to be free of missing, defective, rotting or deteriorated foundations, supports, floors, other members, and steps thereto, so as to be safe to use and kept in sound condition and in good repair.
  - 9) Any structural member which has become deteriorated or damaged to the extent that it does not serve the purpose as originally intended, shall be renewed, restored, repaired or replaced as is necessary to serve the purpose as originally intended.
  - 10) Basement or cellar hatchways shall be so constructed and maintained as to prevent the entrance of rodents, rain, and surface drainage into the dwelling. Basement or cellar hatchways must be secured with latch or lock.
  - 11) All canopies, metal awnings, stairways, fire escapes, exhaust ducts and similar overhang extensions shall be maintained in good repair and be properly anchored so as to be kept in safe and sound condition. They shall be protected from the elements and against decay and rust by periodic application of a weather-coating material such as paint or other protective treatment.
  - 12) Every screen/storm door, open-able window or other openings shall be provided with proper fitting screens having not more than 1/16 inch mesh. Retractable screens will no longer be acceptable. Screens are acceptable in the summer months; storm windows are acceptable during the winter months. There should be proper count of storms and screens when not in use. If the unit has central air-conditioning storm doors are not required. In smaller units it is at the discretion of the inspector if the unit has sufficient air conditioning to adequately cool the entire unit. If unit does not have air-conditioning storm doors are required for adequate ventilation. Screen doors shall be

provided with self-closing devices and all necessary hardware. Screening material shall not be stapled to window frame exterior unless it is also trimmed and framed.

- 13) Every basement or cellar window or other opening located at or near ground level which provides an entry for rodents shall be supplied with an approved screen heavy gauge ¼” mesh framed in on the outside or may be boarded up so as to prevent entry unless 12” from the ground.
- 14) Exterior stairways which are 4 or more risers high shall be provided with substantial handrails not less than 2 feet 9 inches high, measured from the nose of the tread to the top of the rail.
  - a) stairways shall be maintained free of holes, grooves, and cracks which constitute a safety hazard.
  - b) stairways shall be maintained free of rotted or deteriorated supports.
  - c) stairway shall have treads of uniform width and risers of uniform height. Wherever railing is required handrail must be provided;
  - d) Stairways’ handrails and balustrades shall be firmly fastened and maintained in good condition. All porches, balconies, landings and decks that are 30 inches or more above ground level shall require a secure railing not less than 36 inches in height and intermediate rails that will not allow the passage of a sphere 4 inches in diameter. Exterior wood and metal surfaces shall be protected from the elements by paint or other protective covering. All exterior surfaces shall be maintained free of faulty, loose, chipped or peeling paint. Faulty paint areas must be thoroughly washed, sanded, scraped or wire-brushed so as to remove all hazards before repainting with nonleaded paint. All paint chips must be removed –raked from the ground as to eliminate any lead-based paint chips that could be accessible to children.
- 15) All porches, balconies, decks and landings that are 30 inches or more above ground level shall require a secure railing not less than 36 inches in height and intermediate rails that will not allow the passage of a sphere 4 inches in diameter.
- 16) Exterior wood and metal surfaces shall be protected from the elements by paint or other protective covering. All exterior surfaces shall be maintained free of faulty, loose, chipped, or peeling paint. Faulty paint areas must be thoroughly washed, sanded, scraped or wire brushed so as to remove all hazards before repainting with non-leaded paint. All paint chips must be removed – raked from the ground as to eliminate any lead based paint chips which could be accessible to children.

When weather does not permit exterior repairs during the winter months, beginning November 1 thru April 30, the Weather Extensions Program will be in effect and the inspector will grant extensions per the Weather Extension Program’s guidelines.

This program enables the home owners and property managers to extend the deadlines on certain repairs outlined in this program during the winter months. This DOES NOT apply to initial inspections.

The repairs that are included for extension are as follows:

- 1) Concrete and flatwork
- 2) Asphalt repairs
- 3) Painting in lieu of scraping six feet from grade. (Scraping, Painting and/or Priming are required if a child under six years of age resides in the unit per HUD guidelines.)
- 4) Roof work
- 5) Foundation and stucco work
- 6) Fireplace and chimney tuck pointing
- 7) Exterior window glazing
- 8) Vinyl siding repair
- 9) Landscaping at the discretion of GDPM
- 10) Other items at the discretion of GDPM Management

During the above months, the inspector will document the inspection that a weather extension has been granted and commencing June 1 follow up inspections will be scheduled to verify weather extension repairs have been complete.

- 17) Exterior surface wiring should be enclosed in a secure raceway or conduit. Main service lines should be insulated and in good sound condition, all exterior outlets should be GFCI protected with approved weather-proof box.

**Interior Structure:**

- 1) Every Kitchen, bathroom, and toilet room floor surface shall be constructed so as to be reasonably impervious to water and so as to be maintained in a clean sanitary manner.
- 2) Interior ceilings, walls, and floors shall be maintained free of holes, cracks, loose or deteriorated materials, or any other conditions which constitutes a hazard to the occupants or is a harborage for insects or vermin or admits water or dampness to the interior of the building.
- 3) Doors to habitable rooms, bathrooms and toilet rooms shall fit the opening in which they are hung, be properly equipped with hardware and door knobs, and be maintained in good working condition. Dead bolts, hinge locks, eye-hooks or slide bolts are prohibited. Privacy doorknob locks are acceptable. Skeleton keyed locks are acceptable on older construction.
- 4) Doors to non-habitable rooms (ex: laundry room) shall fit the opening in which they are hung, be properly equipped with hardware and door knobs, and be maintained in good working condition. Dead bolts, hinge locks, eye-hooks or slide bolts are

- prohibited. Privacy doorknob locks are acceptable. Skeleton keyed locks are acceptable on older construction. If the door has been removed all hardware must be removed also (ie: strikes, hinges, door bumps etc). .
- 5) Floors walls, including windows and doors, ceilings and other interior surfaces shall be maintained in good, clean, and sanitary condition. Peeling and cracked or loose plaster, decayed wood, and other defective surface conditions shall be eliminated.
  - 6) Interior surfaces shall be protected by paint or other protective covering. Surfaces shall be maintained free of faulty, loose, chipped, or peeling paint
  - 7) Every door available as an exit shall be capable of being opened easily from the inside and not be blocked.
  - 8) All interior stairs and railings and other exit facilities of every structure shall be maintained in sound condition and good repair by replacing treads and risers that have evidence of excessive wear, are broken, warped and/or loose. Every inside stair shall be so constructed and maintained as to be safe to use and capable of supporting the anticipated loads. Interior steps of four or more risers shall require a handrail.
  - 9) In every dwelling: cellars, basements and crawl spaces shall be maintained reasonably free from dampness to prevent conditions conducive to decay or deterioration of the structure. Walls must be free of deteriorating cement or material which is causing flaking and blistering. Scraping and resealing is required.
  - 10) The interior of every structure shall be maintained in a clean and sanitary condition free from any accumulation of rubbish, refuse garbage.
  - 11) All structures shall be kept free from pest, insect, rodent and/or vermin infestation, and where pests, insects, rodents and/or vermin are found, they shall be properly identified and treated accordingly by acceptable processes that will not be injurious to human health. After treatment, proper precautions shall be taken to reinfestation.
  - 12) Refrigerator and freezer doors must have seals in good condition, free of cracks and breaks.

**Light, Ventilation and Space Requirements:**

- 1) There must be at least one window in the living room and in each sleeping room. An interior room not having its own source of natural light and ventilation shall be accepted only where the room adjoins an outside room which has adequate natural light and ventilation and where the separating wall between the two rooms has a clear opening 6 feet wide with a minimum height of 6 feet 8 inches. The interior room shall not be a bedroom.

- 2) Where the required window light and/or ventilation is not provided, artificial light and/or ventilation systems shall be installed in conformance with the uniform building codes.
- 3) Every window, other than a stationary window, shall be capable of being locked, easily opened and held in position by the appropriate hardware for that window type.
- 4) Every habitable room shall have at least one window which is facing directly outdoor open space. The minimum total window area measured between stops for every habitable room shall be 10% of the floor area of such room, unobstructed by any portion of structure or wall less than five feet from the outside of such window.
- 5) Every bathroom and toilet room shall have either an open-able window supplied with a screen or be provided with an approved mechanical or gravity ventilation system that affords adequate ventilation and maintained in working condition at all times. Secondary toilet areas (such as basement) must be properly ventilated as well.
- 6) Basement space partially below ground shall not be used as habitable room or dwelling unit unless:
  - a) the floors and walls are resistant to leakage of underground and surface runoff water and are well drained and protected against dampness;
  - b) the total window area in each room is equal to at least 10% of the floor area of the room as measured between stops and is entirely above the grade adjoining such window area. The windows must also be open-able and provided with screens for adequate ventilation and be supplied with adequate locking devices appropriate for that window type;
  - c) it is separated from the heating equipment, incinerators, and other equally hazardous equipment by an approved partition;
  - d) access can be gained to the area without passage through a furnace room;
  - e) there are two approved exit ways serving the basement. One of the required exit ways shall exit into an approved front or side yard area;
  - f) contains two separate duplex convenient outlets.
- 7) Cellar cannot be used or intended for use as a dwelling unit.
- 8) Every dwelling unit must have, at minimum, a living room, a kitchen area, and a bathroom.
- 9) Every dwelling unit shall contain at least 150 square feet of habitable room area for one person occupancy. Every dwelling unit shall contain at least 130 square feet of

habitable room area per person when occupied by two or more persons. The room area shall be calculated on the basis of habitable room area only and shall not include toilet rooms, bathrooms, halls or passageways.

- 10) In every dwelling unit of two or more rooms, every bedroom shall contain at least 70 square feet of habitable room area for the first occupant and at least 60 square feet of habitable room area for each additional occupant.
- 11) Every dwelling shall have at least four square feet of closet space for the personal effects of each occupant. The closet does not have to be located in the bedroom.
- 12) At least  $\frac{1}{2}$  of the floor area of every habitable room shall have a ceiling height of at least 7 feet. The floor area of that part of any room where the ceiling height is less than 5 feet shall not be considered as part of the required floor area.

**Common Area Requirements:**

- 1) Garbage and refuse shall not be allowed to accumulate or be stored in public halls, stairways, or elevators.
- 2) Every public hall, stairway, and exit-way in every multiple dwelling shall be adequately lit at all times. A minimum wattage of 25 watts shall be provided for each 80 square feet or part thereof of floor area. Exit signs will be illuminated and properly maintained where present.
- 3) Elevators must be certified by the appropriate public agency to be safe and in operating condition and have current proper certification on file.

**Plumbing Facilities and Fixture Requirements:**

- 1) Every dwelling unit shall contain a room or rooms affording privacy and equipped with a flush toilet properly connected to a cold water line, a lavatory basin, and a bathtub or shower properly connected to both hot and cold water lines with each of the facilities properly connected to an approved water and sewer system, and all with shut-off valves and escutcheon at wall openings.
- 2) A toilet room may be located within a different room from wherein the bathtub or shower facility is located. A flush urinal may not be substituted for a flush toilet. Such required sanitary facilities shall not be located in a basement or cellar. Should toilet be removed, sewer and water lines shall be capped in an approved manner.
- 3) Every dwelling unit shall contain sink in good working condition which shall be connected to both cold and hot water lines and to an approved water sewer system. A lavatory basin shall not be considered a kitchen sink.

- 4) Every plumbing fixture, water pipe, and waste pipe shall be properly installed, vented, and maintained in sanitary condition so as to be free from defects, leaks or obstructions.
- 5) The water supply systems shall be installed and maintained to provide at all times a supply of water to plumbing fixtures in sufficient volume and at pressures adequate to enable them to function satisfactorily.
- 6) No water faucet shall be installed below the overflow of the facility being served.
- 7) Every dwelling shall be supplied with water heating facilities which are properly installed and provided with all the required safety devices, such as, shut off valve on the cold water line inlet side only, safety valve with tri-lever; overflow pipe connected to the safety valve and to extend down to within six inches of floor or into a drain; gas line drip leg; cover to conceal pilot light housing area and, when so required, be properly vented and sealed to an approved chimney or flue, are properly connected to water lines that are maintained in a safe and good operating condition. The discharge line must be the same size as the pressure relief valve and must be one continuous pipe. The water heating facility shall be capable of heating water to such a temperature as to permit an adequate amount of water to be drawn at every required kitchen sink, lavatory sink, and bathtub or shower at a temperature of not less than 120°F and not more than 140°F. No water heating facility using solid, gaseous or liquid fuel shall be installed in any room used or designed for sleeping purposes or a bathroom, toilet room garage or in any room not properly ventilated.

### **Mechanical Requirements:**

- 1) Every dwelling shall have heating facilities which are properly installed and vented and maintained in a safe operating condition and are capable of safely and adequately heating all habitable rooms, bathrooms, and toilet rooms located to a temperature of at least 70F, at a distance of 3 feet above the floor level during the heating season. All safety controls for fuel-burning equipment shall be maintained in effective operation. All thermostats must be properly installed and in operating condition. Clean furnace filters shall be installed. HVAC units must be serviced annually. Documentation in the form of a tag or sticker must be on the unit in plain sight.
- 2) No un-vented or open-flamed gas fired space or unit heater, cooking stove or similar device shall be used as a heating facility. Portable electric heaters are acceptable as an additional heating source.
- 3) A supply of air for complete combustion of the fuel and for the ventilation of the space shall be provided the fuel-burning equipment.
- 4) Fireplaces, and other construction and devices intended for use similar to a fireplace, shall be stable and structurally safe and connected to approved chimneys (cleaning

annually by licensed technician required). If the fireplace is non-usable the owner and tenant must provide GDPM with an affidavit stating tenant is not to use fireplace.

- 5) When facilities for interior climate control (heating, cooling and/or humidity) are integral functions of structures used as dwelling units, such facilities of structures shall be maintained and operated in a continuous manner in accordance with the designed capacity.
- 6) Gas piping shall be free of leaks, corrosion, and obstructions so as not to reduce gas pressure or create a potentially hazardous condition. Gas pressure shall be provided which is adequate to permit a proper flow of gas from all open valves at all times and copper tubing, rubber hose, or other unapproved materials shall not be used as gas piping.
- 7) Wall gas lighting jets shall be made inoperable by capping at the source of the supply line serving such jet.
- 8) All gas supply lines serving appliances shall have an approved shut-off valve (and cap if not in use) in the room where such appliances are or are to be located.
- 9) Heat ducts and steam pipes shall be free of leaks and shall function so that adequate heat is delivered to the intended destination through approved outlets.
- 10) All smoke pipes, vent connectors, vents, flues, and chimneys shall be properly supported and securely joined, reasonably clean, and maintained in such a condition that there will be no leaking or backing up of noxious gases. Duct tape will no longer be accepted to seal duct work. Aluminized HVAC tape will only be accepted.
- 11) Smoke pipes and vents shall have a minimum upward slope of ¼ inch per foot from the facility to the chimney flue.
- 12) Every dwelling shall contain a stove, range, or similar device for cooking food, properly installed with all necessary connections for safe and efficient operations which include all range burners and coils. Efficient operation does not include gas ranges being ignited with matches, lighters, etc. except for those gas ranges manufactured and designed to operate without automatic ignition devices. The use of gasoline stoves or similar fuel burning appliances using highly flammable fuels and the use of portable kerosene stoves or other similar fuel burning portable appliances for cooking is prohibited. Hot plates are not acceptable substitutes for stoves or ranges. Microwave ovens are acceptable under the following condition:

A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

- 13) Every dwelling shall contain a refrigerator of appropriate size to accommodate the family for the safe storage of food at a temperature less than 45 degrees F, but more than 32 degrees F. Interior shelving, components, freezer doors, seals and handles shall be in a good state of repair.

**Electrical Requirements:**

Every dwelling shall be supplied adequate electrical service, outlets, and fixtures shall be properly installed and maintained in a safe working condition, and connected to an approved source of electrical power in an approved manner. The capacity of such services and the number of outlets and fixtures shall be as follows:

- 1) The living room and each bedroom shall contain a minimum of two separate duplex permanently installed outlets. Outlets shall be located in an approved manner so as to provide service to appliances in different parts of the room and shall not serve more than two appliances from any one duplex convenience outlet. The kitchen area must contain at least one outlet in proper operating condition.
- 2) Every laundry or utility room shall contain one single grounded outlet or GFCI stand alone wall socket for washing machine hook-up and one GFCI wall or ceiling type light fixture.
- 3) Every kitchen, bathroom, toilet room, furnace room, and hall shall contain at least one permanent wall or ceiling-type electric light fixture. In every kitchen, there must be an operable GFCI. If the bathroom has an outlet it must be an operable GFCI. Outlets in medicine cabinets can be removed and the opening capped
- 4) Every electrical wire shall be covered with insulation which is in sound condition.
- 5) Every electric switch and convenience outlet shall be properly connected, secured in position, provided with cover plates, be free of defects and maintained in good working condition.
- 6) Every electric wall and ceiling fixture shall be properly installed, secured in position and maintained in good working condition. Existing pull chain ceiling fixtures shall be acceptable if in good working condition.
- 7) No temporary wiring shall be permitted except that not more than one heavy duty extension cord may be used when connected directly to the service cord of the electrical appliance being served and an approved electric convenience outlet. Extension cords cannot create a tripping hazard.
- 8) Temporary wiring or extension cords shall not be used as permanent wiring.
- 9) Electrical Hazard Examples:

- a) electrical wiring lying in or located near standing water or other unsafe places must be removed;
- b) exposed fuse box connections must be properly covered;
- c) overloaded circuits – evidenced by frequently “blown fuses” or “tripped breakers” must be corrected;
- d) unused or dead wiring must be removed or secured so as not to present a hazard;
- e) exposed wiring must be concealed within proper electrical boxes.
- f) rubber or plastic coated electrical wiring mounted on the exterior wall or ceiling in a manner that could result in its being broken, cut, or otherwise damaged.

Where it is found that electrical system constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient outlets, improper wiring or installation, deterioration or damage, or for similar reasons, the defects shall be corrected.

**Fire Safety Requirements:**

- 1) Where there is only one dwelling unit on the second story of a residential building, a single interior stairway may be accepted as the approved means of egress providing it exits into an approved front or side yard or other approved area and passage is not through the bathroom or a sleeping room of another dwelling or rooming unit to the exit door. Where there is more than one dwelling unit on a second story, or where there are more than two stories, a minimum of two approved exit ways shall be provided to serve those dwelling units located above or below the first story. One of the required exit ways shall be enclosed and exit into an approved front or side area. Passage to the required exit ways shall not be through a habitable room or another dwelling unit or bathroom. Exception two or more dwelling units on a second story may be served by a single stairway if such stairway is enclosed by one hour fire-resistant materials provided that the second story does not have more than 2,400 square feet in floor area and the distance from the dwelling units to the stairway does not exceed 50 ft.
- 2) All doors in the required means of egress shall be readily open-able from the inner door. Exits from dwelling units shall not lead through other such units, or through toilet rooms or bathrooms.
- 3) All required fire escapes shall be maintained in working condition and structurally sound. All exit signs shall be maintained, illuminated and visible where present.

- 4) Waste, refuse, or other materials shall not be allowed to accumulate in stairways, passageways, doors, windows, fire escapes, or other means of egress.
- 5) Highly flammable or explosive matter, such as paints, gasoline, engines, volatile oils, and cleaning fluids, or combustible refuse, such as waste paper, boxes, and rags, shall not be accumulated or stored on residential premises except in reasonable quantities consistent with normal usage and shall not be store near heating facilities.
- 6) All fire protection systems and equipment shall be maintained in proper operating condition at all times.
- 7) Each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition that can be verified at the time of the inspection, on each level of the dwelling – locations will be in the proximity off all bedrooms, and at the top of any stairwell such as basements and attics. Apartment buildings should have smoke detectors in common hallways on all levels. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 72. If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA-72.
- 8) Fire suppressive systems shall be maintained in good condition free from mechanical injury. Sprinkler heads shall be maintained clean, free of corrosion and paint, and not bent or damaged.
- 9) Hose stations shall be identified and accessible. The hose shall be in proper position, ready for operation, dry and free of deterioration.
- 10) All portable fire extinguishers shall be visible and accessible, and maintained in an efficient and safe operating condition.
- 11) Single cylinder deadbolts with thumb latches must be installed in all exterior doors. Deadbolts cannot be double key locks (interior side of deadbolt lock must have thumb/turn latch). Doors leading from living area into attached garage must also have single-cylinder deadbolts.

**Lead Based Paint Performance Requirement:**

Definitions:

Chewable surface. Protruding painted surfaces up to six feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, door and frames, and other protruding woodwork.

Component. An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.

Defective paint surface. A surface on which the paint is cracking, scaling, chipping, peeling or loose.

Elevated blood level (EBL). Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in which blood 20 ug/dl (micrograms of lead per deciliter) for a single test of 15-19 ug/dl in two consecutive tests 3-4 months apart.

HEPA means a high efficiency particle accumulator as used in lead abatement vacuum cleaners.

Lead-based paint. A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm<sup>2</sup>), or 0.5 percent by weight or 5000 parts per million (PPM).

**Requirements for pre-1978 units where children under 6 reside:**

If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual; inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with the procedures outlined below.

Lead based paint with a lead content of more than 0.5 percent shall not be applied to any interior or exterior surface of the dwelling unit, including fences and outbuildings at these locations. Existing interior and exterior surfaces of the dwelling units that contain an excess of 0.5 percent lead shall be removed or covered with paneling or other suitable covering. Lead based paint areas must be thoroughly washed, sanded, scraped or wire brushed so as to remove all hazards before repainting with non-lead paint.

The requirements in this paragraph apply to:

All painted interior surfaces within the unit (including ceilings but excluding furniture);

The entrance and hallway providing ingress or egress to a unit in a multi-unit building;  
and

Exterior surfaces up to six feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors).

For a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as

required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable is negative for lead-based paint or if the chewable surfaces have already been treated.

Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint supplies. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with procedures outlined below is required.

The requirements of this section apply to all protruding painted surfaces up to six feet from the floor or ground that are readily accessible to children under six years of age:

Within the unit;

The entrance and hallway providing access to a unit in a multi-unit building; and

Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors).

GDPM may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the following methods. (Priming is acceptable under Weather Extension Program.)

Acceptable methods of treatment are: Removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA, vacuum needle gun, contained hydro-blasting or high pressures wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joints and edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

Prohibited methods of removal are:

- open flame burning or torching;
- machine sanding or grinding without HEPA exhaust; uncontained hydro-blasting or high pressure wash; and
- dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.

During exterior treatment soil and playground equipment must be protected from contamination.

All treatment procedures must be concluded with thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.

Waste and debris must be disposed of in accordance with all applicable Federal, state and local laws.

The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.

Prior to execution of the HAP contract, the owner must inform GDPM and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.

GDPM must attempt to obtain annually from local health agencies the name and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, GDPM must determine whether local health officials have tested the unit for lead-based paint, GDPM must require the owner to treat the lead-based paint. If owner does not complete the corrective actions required by this section, the family must be issued a voucher to move.

GDPM must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, GDPM must keep the test results indefinitely and, if applicable, the owner certification of treatment. The records must indicate which chewable surfaces in the dwelling unit have been tested and which chewable surfaces in the unit have been treated. If records establish that certain chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this section, such chewable surfaces do not have to be tested or treated at any subsequent time.

- 1) Repair deteriorated surfaces. Any physical defect on a painted surface must be repaired before treating the surface.
- 2) Remove loose paint. All loose paint or other loose material should be removed from the surface to be treated.
- 3) Apply new paint. Paint stabilization includes the application of a new protective coating of paint.

The surface must be dry and protected from future moisture damage before applying new protective coating or paint.

Paint stabilization must be performed using safe work practices. Safe work practices help minimize and control the spread of lead-contaminated dust and debris while protecting workers and residents from exposure to lead. Safe practices include occupant protection, worksite preparation, clean up and safe treatment methods.

### **HUD Standards for Safe and Prohibited Methods for Treating Lead-Based Paint:**

#### Examples of Safe Treatment Methods

- 1) Removal of defective paint by:
  - a) Wet scraping
  - b) Wet sanding
  - c) Chemical stripping on or off site
  - d) Replacing painted components
  - e) Scraping with an infrared or coil-type heat gun with temperatures below 1,100°F
  - f) HEPA vacuum sanding
  - g) HEPA Vacuum needle gun
  - h) Abrasive sanding with HEPA vacuum
  
- 2) Covering of defective paint surfaces with:
  - a) Durable materials (such as wallboard or vinyl siding) with joint sealed and caulked

#### Prohibited Treatment Methods

- 1) Removal of defective paint by:
  - a) Open flame burning or torching
  - b) Machine sanding or grinding without a HEPA local exhaust
  - c) Abrasive blasting or sandblasting without a HEPA exhaust
  - d) Heat guns operating above 1,100°F
  - e) Dry scraping or dry sanding except in conjunction with heat guns or within 1 foot of electrical outlets
  - f) Paint stripping in a poorly ventilated space using a volatile stripper that is hazardous substance

As in the past, the HCV inspector will verify that the defective paint has been treated at the reinspection. The unit will not be approved unless all defective paint has been repainted.

### **Attention HCV Property Owners:**

The U.S. Department of Housing and Urban Development (HUD) has issued a new regulation to protect young children from lead based paint hazards in housing that is financially assisted by the federal government or being sold by the government. The regulation, “Requirements for

Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance”, was published in the Federal Register on September 15, 1999. The hazard reduction requirements in this regulation are based on scientific research and the practical experience of cities, states, and others who have been controlling lead-based paint hazards in low-income housing through HUD assistance. The requirements apply to housing built before 1978; the year lead-based paint was banned nationwide for consumer use. However, HUD will provide a 1 year transition period – until September 15, 2001, for all properties built after 1960 that are occupied by a child under six. This means that only units built prior to 1959 will have to comply with these new regulations until September 15, 2001, when the date will revert back to 1978. This is an attempt to phase the regulation in without creating undue hardship on the housing authorities, support agencies that provide clearance and other services, or the property owners.

The regulation puts all of the Department’s lead-based paint regulations in one part of the Code of Federal Regulations, making it much easier to find HUD policy on the subject. The new requirements took effect September 15, 2000.

Lead poisoning can cause permanent damage to the brain and many other organs, and can result in reduced intelligence and behavioral problems. Lead can also harm the fetus. The most common sources of childhood exposure to lead are deteriorated lead based paint and lead-contaminated dust and soil in the residential environment.

The regulation sets hazard reduction requirements that give much greater emphasis than existing regulations to reducing lead in house dust. Scientific research has found that exposure to lead in dust is the most common way young children become lead poisoned. Therefore the new regulation requires dust testing after paint is disturbed to make sure the house is lead-safe.

**Types of Housing Covered:**

- 1) Federally-owned housing being sold
- 2) Housing receiving a federal subsidy that is associated with property, rather than with the occupants (project-based assistance)
- 3) Public housing
- 4) Housing occupied by a family (with a child under 6 years of age) receiving a tenant-based subsidy (such as a voucher or certificate)
- 5) Multifamily housing for which mortgage insurance is being sought
- 6) Housing receiving federal assistance for rehabilitation, reducing homelessness, and other special needs.

**Types of Housing Not Covered:**

- 1) Housing built since January 1, 1978, when lead paint was banned for residential use
- 2) Housing exclusively for the elderly or people with disabilities, unless a child under age 6 is expected to reside there

- 3) Zero-bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks
- 4) Property that has been found to be free of lead-based paint by a certified lead-based paint inspector
- 5) Property where all lead-based paint has been removed
- 6) Unoccupied housing that will remain vacant until it is demolished
- 7) Non-residential property
- 8) Any rehabilitation or housing improvement that does not disturb a painted surface

Here is how the new paint regulations will affect you as a HCV owner if the family you are renting to has no children under 6 years of age in the household. The inspector will be conducting visual assessment for defective paint at all units. These requirements apply to surfaces in the dwelling unit, exterior painted surfaces, common areas servicing the unit and other common areas used by the occupants and frequented by children including on site play areas. Intact lead-based paint is not a hazard, so if the inspection finds no defective paint surfaces that are cracked, scaling, chipped, peeling or loose, the paint will be approved and no further action is required. If the HCV visual assessment finds defective paint, those areas must be addressed by the owner. Treating the defective paint is known as paint stabilization, which includes the following steps:

If you are renting your unit to a family with children under 6 years of age in the household and it was built before 1978, this is how the new paint regulations will affect you. If the visual assessment conducted by the HCV inspector reveals defective paint, the owner will still perform paint stabilization, but you will also need to obtain clearance before approval of the unit.

Clearance is a new mandatory activity that must be followed after paint stabilization. It helps to ensure that lead based paint hazards are removed and the dwelling is safe for occupancy. Clearance consists of a visual examination, dust sampling and laboratory analysis of dust samples. The clearance examiner must be a certified risk assessor, lead-based paint inspector or clearance technician, which means that the HCV Program will not be offering this service. There is a listing of qualified individuals and agencies included which you can contact directly to schedule your testing. Clearance testing costs approximately \$ 200.00 and risk assessment approximately \$ 400.00. Please be aware that a clearance report must be received by the HCV office before approval of the unit if defective paint was found. A copy of the report must also be given to the family so they can be assured that the unit they are living in is lead-safe.

Finally, the owner must also incorporate ongoing lead-based paint maintenance activities into regular building operations to ensure that no lead-based paint hazards develop.

**Children with elevated blood levels:**

When it is reported to our office that a child in their household under the age of seven has an elevated blood level, the following procedures will be taken:

1. The health department will be contacted and requested to have the unit tested for lead based paint.

2. If it is found that the unit does contain lead based paint, the family will be required to relocate, with assistance, to another unit.
3. The owner will be notified of the results of the health departments testing and, until the unit is approved by the health department or the EPA and verification of corrective action being taken, the unit will not be able to participate in any of the HCV programs.

### **Mobile Home Requirements:**

Mobile homes shall be equipped with at least one smoke detector in working condition. Mobile homes must be securely anchored by a tie down device which distributes and transfers the load imposed by the unit to appropriate ground anchors so as to resist wind overturning and must be placed in the site in a stable manner free from hazards such as sliding or wind damage.

### **Conflict with Other Ordinances**

In any case where a provision of this code is found to be in conflict with a provision of any zoning, building, fire, safety, or health ordinance or code, the provisions of the ordinance which establishes the highest standard for the provision and protection of the safety and health of the people shall prevail.

### **Quality of Workmanship**

All design, construction, replacements, additions, and repairs in rehabilitation/renovation construction shall be of quality conforming to nationally recognized standards. Inferior workmanship shall be cause for termination of assistance.

### **Certifications**

In instances of all inspections or inspector uncertainty, certification or documentation from a professional, licensed, service technician may be required to verify the proper operating condition and soundness of such items as furnaces, water tanks, electrical, and plumbing systems. This is to assure that the facility is functioning adequately and safely. HVAC must be serviced annually. Documentation in the form of a tag, sticker or invoice must be on unit in plain sight.

Pest, insect, rodent or vermin infestation that requires professional treatment to eliminate or control may also need proper certification.

Units with bedbug infestations must be treated by a licensed exterminator. We must see a copy of the results and treatment plan. If we are advised that a unit has bedbugs at the time of annual or re-inspection we will conduct an exterior inspection only and will list the interior as failed until we can inspect inside of the unit. We will not enter the unit for inspection until the treatment plan deems it is safe. We will conduct an exterior inspection only until the unit is determined free and clear of infestation. The tenant must comply with the treatment plan or they will be proposed for termination. The owner will be abated if they do not adhere to this policy. We must receive a copy of the paperwork from the licensed exterminator showing that the unit and is free and clear of infestation.

The tenant must comply with the treatment plan or they will be proposed for termination.

The owner will be abated if they do not adhere to this policy.

The exterior inspection will only count for the exterior. After the unit is deemed safe we will conduct a full annual inspection and allow the owner 30 days for repairs if required.

#### **D. RESPONSIBILITY OF PERSONS**

##### **Dwelling Owners:**

Every owner of a dwelling shall ultimately be responsible for the maintenance of all facilities, appliances, utilities, services, or conditions required by this chapter for dwellings and premises, except where such responsibility is assumed by an occupant by written agreement. Such responsibility shall include, but not limited to, the following:

- 1) Maintaining in a clean and sanitary condition all parts of the dwelling and premises shared in common by two or more dwelling units. Lawn care is also included or every dwelling of two or more units unless specified in the lease agreement.
- 2) Extermination of insects, rodents or other pests at initial move in inspection to assure unit is free of such conditions.
- 3) Maintaining the dwelling in a pest-free condition.
- 4) Maintaining driveways, terrace steps, yard walls, fences, yard cisterns, all exterior premises free of objects, materials, or conditions which create a health, safety, or fire hazard or which is a public nuisance.
- 5) Installation of all fire and smoke detection systems.
- 6) On initial inspection unit should be freshly painted. Paint exterior as needed.
- 7) Unit should be painted every 5 years as needed.

### **Participant Families:**

The head of the household of a dwelling is responsible for the housekeeping and on-site upkeep of the unit.

- 1) Providing a sufficient number of approved trash containers, as prescribed by the ordinances of the city, except when such containers are provided by the owner.
- 2) To keep the occupied area and all facilities in a clean and sanitary condition which shall include, but not limited to the following:
  - a) floors, floor coverings, and other walking surfaces shall be kept clean and free of dirt, filth, garbage, fecal matter, litter, refuse, and any other unsanitary matter;
  - b) walls, ceilings, windows, and doors shall be kept clean and free of dirt, greasy film, soot and other unsanitary matter;
  - c) plumbing fixtures shall be kept clean, sanitary and in operable condition. No materials shall be deposited in any such fixture which may result in the obstruction of such fixture or any lines;
  - d) cook stoves, refrigerator, cabinets, and other furnishings shall be kept clean, free of dirt, greasy film, soot and other unsanitary conditions.
- 3) To dispose of trash and garbage or store such wastes in proper containers in a neat and sanitary manner.
- 4) No occupant shall destroy, deface, damage, impair, or carry away any of the equipment or any part of the dwelling unit.
- 5) No occupant shall obstruct in any manner any means of egress from any portions of the premises.
- 6) No occupant shall remove batteries from battery operated smoke detectors or tamper with electrical (automatic) detection systems.
- 7) Lawn care is included for every single family dwelling unless specified otherwise in the lease agreement.

**E. CLEARING DEFICIENCIES – Initial Inspections**

On an initial inspection, the owner will be given 15 days from the date of the notification letter to correct the items noted as “fail”. If 15 days falls on a Saturday or Sunday, the re-inspection will be scheduled for the first available working day. If there is no available time on any of the housing inspector’s schedules to complete the re-inspection, it will be scheduled for the first available working day, even though this time frame will exceed 15 days. As the owner/landlord is given at least 15 days from the failure of the first inspection to prepare, re-inspections will not be rescheduled. (REFERENCE FAIL AND NO FAIL FORMULA BELOW)

In the event a unit does not pass re-inspection, no future inspections will be scheduled by the HCV Office. The tenant and owner will be notified of the disapproval of the unit, and if any time is remaining on the voucher, the family will be scheduled to come into the office to be issued paperwork to locate another unit.

Records of all lease approvals or disapprovals will be maintained in the families file for accuracy and consistency according to the Housing Quality and acceptable criteria.

Should a family wish to turn a Request for Tenancy Approval into the office for the same unit that was disapproved; this will be permitted on one occasion only. The unit must be inspected again as a first inspection, and if disapproved, the owner will be given at least 15 days to complete repairs and re-inspection will be conducted. In the event a unit does not pass re-inspection on the second Request for Tenancy Approval, no future inspections will be scheduled by the HCV office for that unit. The tenant and owner will be notified of the disapproval of the unit, an inspection report will be mailed and if any time is remaining on the voucher, the family will be scheduled to come into the office to be issued paperwork to locate another unit

Formula for Initial Inspections:

- 2 Fails = New Papers (if client has time left on their voucher)
- 2 No Shows = New Papers (if client has time left on their voucher)
- 1 No Show and 1 Fail = 15 days to correct failed items

**F. CLEARING DEFICIENCIES**

**Annual Inspections**

On an annual inspection, the owner will be given 30 days from the date of the notification letter to correct the items noted as “fail”. If 30 days falls on a Saturday or Sunday, the re-inspection will be scheduled for the first available working day. If there is no available time on any of the housing inspectors’ schedules to complete the re-inspection, it will be scheduled for the first available working day—even though this time frame will exceed 30 days. As the owner/landlord is given at least 30 days from the failure of the first

inspection to prepare, re-inspections will not be re-scheduled.

In the event a unit does not pass re-inspection, no future inspections will be scheduled by the HCV Office. The home owner or property manager or their representative must notify the scheduling coordinator when owner and tenant deficiencies are cleared and completed. (REFERENCE FAIL AND NO SHOW FORMULAS BELOW) The tenant and owner will be notified of the disapproval of the unit.

Records of any lease approvals or disapprovals will be maintained in the family's file for accuracy and consistency according to the Housing Quality and acceptable criteria.

Formula for Owner/Report/Annual:

- 2 Fails = Abatement
- 2 No Shows = Abatement
- 1 No Show and 1 Fail = Re-inspection in 30 Days
- 1 Fail and 1 No Show = Abatement

Formula for Tenant/Report/Annual:

- 2 Fails = Proposed Termination
- 2 No Shows = Proposed Termination
- 1 No Show and 1 Fail = Re-inspection in 30 Days
- 1 Fail and 1 No Show = Proposed Termination

**NOTE: If unit fails to pass inspection after 30 days of abated payments, tenant will be issued new papers.**

### **Complaints:**

The staff is required to inspect only the items about which the tenant or owner are complaining. If the Inspector notices additional deficiencies that would cause the unit to fail the HQS, s/he must also note those items and require the repair to be completed.

The Owner may charge the tenant for repairs made due to tenant neglect or abuse. Local codes or laws may guide what recourse, if any, the Owner has in recovering costs of repairs.

The Owner may choose to initiate legal action against the tenant if there are grounds for such action.

If the HQS violation was due to normal wear and tear, the owner must be given time to correct the failed items. There are two guidelines to use:

If the item endangers the family's health or safety (using the emergency item list in this chapter), the owner must be given 24 hours to correct the violation.

For less serious failures, the owner must be given up to 30 days to correct the item(s). At the discretion of the HCV Inspector a shorter time frame may be granted.

If the owner fails to correct deficient items, after s/he has been given a reasonable time to correct the items, GDPM will take prompt and vigorous action to enforce the owner HQS obligations. GDPM remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.

The owner is not responsible for a breach of the HQS that is not caused by the owner and for which the family is responsible.

**G. COURTESY CALL**

The inspectors will call the landlord when they are on their way prior to arriving at the unit for inspection. It is the responsibility of the landlord to make sure that the HCV inspection department has a correct phone number to call. A landlord/tenant cannot cancel an inspection or ask for a different time for inspection during this phone call. GDPM will not recognize this phone conversation as any type of cancellation for an inspection. If there is no answer or the number is not correct the inspector will proceed to the property as if the landlord/tenant were there.

**H. PHOTOGRAPHS**

It is a requirement that HCV Inspectors will take photographs at all inspections.

**I. INSPECTION REPORTS**

All inspection reports will be mailed out within three days after the inspection was conducted.

**J. Guidelines for Inspection of Housing Quality Standards:**

**Housing units under the HCV Program must be in safe, decent and sanitary condition. Each unit must pass our field representative’s inspection before we approve the unit for HCV assistance. You should review the requirements indicated below before you send a request for lease approval and the related papers. Make sure the unit conforms to these standards, or that the landlord can and will make the necessary repair or alterations. All plumbing, electrical and other mechanical systems must be in proper operating condition. All utilities must be on.**

**OK      Needs  
Repair**

**1) All Rooms**

**a) Are there at least two working outlets?  
(Kitchen and bathroom must have permanent light fixture.)**

**b) Is there any exposed wiring ?**

**c) Does each outlet and light switch have a cover plate and**




properly fitting lid

j) If there is a toilet in the basement it must be vented to the outside. It must be enclosed with a privacy door or it can be removed and cap off all drains and lines


**4) Bedroom**

- a) Does it have a window located on an exterior wall?
- b) Bedroom must have two properly wired working outlets.
- c) Bedroom must have closet with door(s) or a closet in the vicinity of the bedroom


**5) Heating Equipment/Air Conditioning**

- a) Is the heating equipment capable of providing adequate heat to all rooms used for living?
- b) Is the unit free from unvented fuel-burning space heaters or any other unsafe heating conditions
- c) If the furnace is in a closet, are the doors vented? Also any gas hot water heater or furnace cannot be located in a bedroom closet
- d) Window/wall air conditioning units must be installed to prevent air infiltration and with proper slant to the outside walls.
- e) All vents and ductwork must be in good condition, any wrapping must be in good condition, secure to the ductwork. Any tape used must be appropriate for that type of ductwork


--	--

**6) Hot Water Heater**

- a) Does the hot water heater or pipes have leaks? Also the pipes must be free from corrosion
- b) The pressure relief valve must be free from leaks and the discharge pipe must extend to approximately six inches
- c) Flame shields (cover plates) must be in place and properly installed
- d) Vent hood must be in proper position for room ventilation
- e) All electrical wiring must be encased in conduit
- f) Hot water heater cannot have shut off valve on hot side


**7) Laundry Room**

- a) Must have single plug or GFCI outlet for washer
- b) Dryer needs to be vented to the outside with aluminum flex hose
- c) Must be free of lint or debris


**8) Additional Requirements**

(Other rooms, windows, exterior doors, electrical cover plates, plumbing, smoke detectors, interior air quality, entrance way, steps, food preparation and refuse disposal, utilities)

- a) Are all entrance and exit doors to unit made of solid material with dead bolt locks that are not doubled keyed? (Interior side of dead bolt lock must have thumb-turn latch) Do the entrance and exit doorknob have latching knob. Doors must have all working hardware (strike plates, plungers, etc.)
- b) Is there a working smoke detector on each level of the dwelling?
- c) Is the unit free of pests, insects, rodents and vermin? If evidence is present, professional extermination paperwork may be requested
- d) Is the unit free from heavy accumulation of garbage and debris inside and outside?
- e) Are there adequate covered facilities for the disposal of garbage? (Dumpsters/trash cans)

--	--



--	--



below are the tenant's HCV checklist responsibilities. This is not an all inclusive list and may change at any given time due to industry standards and lease requirements. Please refer to your HCV lease or owner's addendums for specific requirements. These requirements should be completed before tenants' annual inspections or re-inspections.

General Requirements:

- 1) Are there any repairs at the time of move-in still not completed?
- 2) Have I informed the owner or management of repairs still not complete at the time of move-in before my scheduled annual inspection?
- 3) Have I called my owner as soon as I received my annual inspection or re-inspection letter?
- 4) Do I understand if items are not repaired at the time of move in, if not reported, some of the items may be my responsibility, such as torn screens, cracked outlets and switch covers, etc?

Exterior:

- 1) Are the site conditions in good repair, such as has grass been cut and edged, trash removed around unit and garage, and landscaping?
- 2) Has small brush been removed away from house and garage including roof lines 3 feet away from house and garage?
- 3) Has dirt and debris been cleaned off of the surface of the house?
- 4) Have I informed the owner of any hazards such as loose or missing hand rails or railings on porches, balconies and or steps?
- 5) Have I informed owner of any potential exterior emergencies such as missing shingles, broken windows on unit or garage, or electrical wires hanging that appear dangerous?
- 6) If I have cable installed, are the cables secure to the unit and not hanging off of the house on the ground where it can cause a tripping hazard?
- 7) Are there any globe fixtures missing covers and bulbs?
- 8) Are there any cars in the driveway or garage with outdated tags or deflated tires?

All Rooms:

- 1) Are there any tenant caused cracked outlets and switch plate covers that need replaced?
- 2) Are the secondary appliances in good working condition such as ceiling fans, microwaves, wall or window air conditioners?
- 3) Are there any tenant caused holes behind doors or on walls and ceilings that need repaired?
- 4) Are there any tenant caused marks on the walls and ceilings that need cleaned or painted?
- 5) Are there any tenant caused screens torn or missing in any rooms that need to be replaced or that the owner is aware of needing to be replaced?
- 6) Are the tiled floors and carpeted floors clean?
- 7) Is my dryer properly vented and lint build-up cleaned behind dryer?
- 8) Have I cleaned basement ceiling of cobwebs?
- 9) Are all my rooms clean and neat?
- 10) Have I cleaned my stove?
- 11) Does my refrigerator/freezer seal need to be replaced?

## Chapter 13

### LEASE APPROVAL, RENT REASONABLENESS AND CONTRACT EXECUTION

[24 CFR 982.302, 982.507]

#### **INTRODUCTION** [24 CFR 982.305(a)]

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

This chapter defines the types of eligible housing, DMHA's policies that pertain to lease requirements, lease review and rent reasonableness.

#### **A. LEASE REVIEW** [24 CFR 982.308]

The family and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law.

The lease must specify:

The names of the owner and tenant, and

The address of the unit rented (including apartment number, if any), and

The amount of the monthly rent to owner, and

The utilities and appliances to be supplied by the owner, and

The utilities and appliances to be supplied by the family

The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed.

The Lead Warning Statement and disclosure information required by 24 CFR 35.92(b) will be included in the Request for Tenancy Approval Packet (RTA).

### **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:

DMHA has inspected the unit and has determined that the unit satisfies the HQS;

DMHA has determined that the rent charged by the owner is reasonable;

The landlord and the tenant have executed the lease, including the HUD-prescribed tenancy addendum;

DMHA has approved leasing of the unit in accordance with program requirements;

When the gross rent exceeds the applicable payment standard for the family, DMHA must determine that the family share (total family contribution) will not be more than 40% of the family's monthly adjusted income.

### **B. SEPARATE AGREEMENTS**

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

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

Any appliances, services or other items that are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

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

DMHA will approve separate agreements for modifications to the unit for persons with disabilities. The modifications are usually within the dwelling and are critical to the use of the dwelling.

**C. RENT REASONABLENESS DETERMINATION** [24 CFR 982.507]

DMHA will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applied to all programs.

DMHA will not approve a lease until it is determined that the initial rent to owner is a reasonable rent. DMHA must re-determine the reasonable rent before any increase in the rent to owner, and if there is a 5% decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

DMHA also will re-determine rent reasonableness when an owner requests an increase in the rent to owner for a voucher unit. When requesting increases, if the amount exceeds what is determined to be reasonable, the owner will only receive the maximum rent allowed, even if it results in a decrease of rent currently being received for the unit.

DMHA must re-determine rent reasonableness if directed by HUD and based on a need identified by DMHA's auditing system. DMHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by DMHA.

The owner will be advised that by accepting each monthly housing assistance payment, s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable, unassisted units in the premises.

If requested, the owner must give DMHA information on rents charged by the owner for other units in the premises or elsewhere. DMHA will only request information on the owner's units if needed for rent reasonableness comparables.

The data for other unassisted units will be gathered from newspapers, inquiries of owners, market surveys, and other available sources.

The market areas for rent reasonableness are census tracts within DMHA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following will be used for rent reasonableness documentation:

Square Footage	Number of Bedrooms
Utilities	Location
Unit Type	Quality
Amenities	Maintenance
Housing Services	Date Built

This data will be used by staff in their rent reasonableness determination.

### **RENT REASONABLENESS METHODOLOGY**

DMHA utilizes a rent reasonableness system that includes and defines the HUD factors listed above. The system has a total point count that is divided into rating categories.

Information is gathered on rental units in the Montgomery County market area, and each unit is rated, using DMHA's rent reasonableness system. Using an automated method, the average rents are identified for units of like size and type within the same market area. DMHA maintains an automated database that includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis.

The following basic methodology is used to determine if requested rent is reasonable in relation to rents being charged to unassisted units:

Data is collected concerning the unit to be assisted from the Request for Tenancy Approval and during the inspection

Data concerning at least three (3) comparables and the assisted unit is recorded on a Rent Reasonableness Determination form (RRD) This form is included in the tenant's file.

The data on the RRD form is analyzed and an approvable rent is determined and recorded on the RRD with the date, and name of the staff person performing the determination.

### **D. RENT LIMITATIONS** [24 CFR 982.507]

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

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

### **E. DISAPPROVAL OF PROPOSED RENT** [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable, at the family's request, DMHA will negotiate with the owner to reduce the rent to a reasonable rent. If the rent is not affordable because the family share would be more than 40% of the family's monthly adjusted income, DMHA will negotiate with the owner to reduce the rent to an affordable rent for the family.

At the family's request, DMHA will negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to owner.

If the rent can be approved after negotiations with the owner, DMHA will continue processing the Request for Tenancy Approval and lease. If the revised rent involves a change in the provision of utilities, the original RTA will be noted with discussed changes and initialed and dated by staff member.

If the owner does not agree on the rent to owner after DMHA has tried and failed to negotiate a revised rent, DMHA will inform the family and owner that the lease is disapproved.

#### **F. CONTRACT EXECUTION PROCESS** [24 CFR 982.305(c)]

Prior to HAP Contract execution, DMHA will reconfirm the family's composition and critical information about income and allowances.

If significant changes have occurred, the information will be verified and the Total Tenant Payment will be recalculated. DMHA will not re-verify information or recalculate the Total Tenant Payment merely because previous verification is more than 60 days old, in this situation.

If circumstances have not changed (according to the family), DMHA need not obtain new verifications before signing the HAP Contract, even if verifications are more than 60 days old.

DMHA prepares the Housing Assistance Contract and lease for execution. The family and the owner will execute the lease agreement, and the owner and DMHA will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents. DMHA will retain a copy of all signed documents.

DMHA makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed.

The following DMHA representative(s) is/are authorized to execute a contract on behalf of DMHA: Manager, Section 8 Administration, or Leasing Supervisor.

Owners must provide an employer identification number or social security number.

Owners must also submit proof of ownership of the property, such as a grant deed or tax bill, a copy of the management agreement if the property is managed by a management agent, and proof of LLC paperwork.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. DMHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

## Chapter 14

### OWNER PAYMENTS AND UTILITY ALLOWANCE

[24 CFR 982.502, 982.503, 982.504, 982.505]

#### **INTRODUCTION**

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Section 8 Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the “merger date”. These amendments complete the merging of the Section 8 Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All Section 8 participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculation methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and is not subject to interpretation.

This chapter explains DMHA's procedures for payments to owners, adjustments to the payment standards, and rent adjustments.

#### **A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM**

The rent to owner is limited only by rent reasonableness. DMHA must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, if the gross rent for the unit exceeds the applicable payment standard for the family, the family share may not exceed 40 percent of the family's monthly adjusted income.

During the initial term of the lease, the owner may not raise the rent to owner.

#### **B. MAKING PAYMENTS TO OWNERS** [24 CFR 982.451]

Once the HAP contract is executed, DMHA begins processing payments to the landlord. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Checks are disbursed by the Financial Management Department] to the owner each month. Checks may not be picked up by owner at DMHA. Checks will only be disbursed on the first and the fifteenth of the month.

Exceptions may be made with the approval of the Manager, Section 8 Administration and Chief Financial Officer.

**Proposed: Change**

**Once the HAP contract is executed, DMHA begins processing payments to the landlord.**

**A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Automatic deposits are disbursed by the Financial Management Department to the owner each month. Checks may not be picked up by owner at DMHA. Automatic deposits will only be disbursed on the first and the fifteenth of the month. Exceptions may be made with the approval of the Director Section 8 Administration, and Chief Financial Officer.**

Checks that are not received will not be replaced until a stop payment has been put on the check.

**Excess Payments**

The total of rent paid by the tenant plus DMHA housing assistance payment to the owner may not be more than the rent to owner. The owner must immediately return any excess payment to DMHA.

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

**Late Payments to Owners**

DMHA will pay a late fee equal to the late fee stated in the lease agreement to the owner for housing assistance payments that are not mailed to the owner within one business day of verification that HUD funds have been deposited in DMHA's bank account, if requested by the owner.

Proof of "Mailed to" date will be the postmark from the Post Office.

To assist DMHA in its outreach efforts to owners, and to provide better customer service, DMHA will make automatic monthly HAP deposits into the bank account of the owner. All owners must participate in the automation direct deposit program

DMHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond DMHA's control, such as a delay in the receipt of program funds from HUD. DMHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

DMHA will not use any program funds for the payment of late fee penalties to the owner.

**D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM** [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at DMHA's discretion, the Voucher Payment Standard amount is set by DMHA between 90 percent and 110 percent of the HUD published FMR. This is considered the basic range. DMHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, DMHA will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

DMHA will establish a single voucher payment standard amount for each FMR area in DMHA jurisdiction. For each FMR area, DMHA will establish payment standard amounts for each "unit size". DMHA may have a higher payment standard within DMHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90-110% of FMR range.

DMHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities.

**E. ADJUSTMENTS TO PAYMENT STANDARDS** [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. DMHA will not raise Payment Standards solely to make "high end" units available to Voucher holders. DMHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

**Assisted Families' Rent Burdens**

DMHA will review its voucher payment standard amounts at least annually to determine whether more than 40 percent of families in a particular unit size are paying more than 40% of their annual adjusted income for rent.

If it is determined that particular unit sizes in DMHA's jurisdiction have payment standard amounts that are creating rent burdens for families, DMHA will modify its payment standards for those particular unit sizes.

**Quality of Units Selected**

DMHA will 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 only made when needed to reach the mid-range of the market.

**PHA Decision Point**

DMHA will review the average percent of income of families on the program. If more than (percent – 25%) of families are paying more than 30% of monthly adjusted income, DMHA will determine whether there is a difference by voucher size, whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HQS and any additional standards added by DMHA in the Administrative Plan.

If families are paying more than 40% of their income for rent due to the selection of larger bedroom size units or luxury units, DMHA may decline to increase the payment standard. If these are not the primary factors for families paying higher rents, DMHA will continue increasing the payment standard.

### **Rent to Owner Increases**

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

### **Time to Locate Housing**

DMHA may consider the average time period for families to lease up under the Voucher program. If more than 50% of Voucher holders are unable to locate suitable housing within the term of the voucher and DMHA determines that this is due to rents in the jurisdiction being unaffordable for families even with the presence of a voucher the Payment Standard may be adjusted.

### **Lowering of the Payment Standard**

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

### **Financial Feasibility**

Before increasing the Payment Standard, DMHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, DMHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

### **File Documentation**

A file will be retained by DMHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

**F. OWNER PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM**  
(24 CFR 982.308(g))

The owner is required to notify DMHA, in writing, at least sixty days before any change in the amount of rent to owner is scheduled to go into effect. Any requested change in rent to owner will be subject to rent reasonableness requirements. See 24 CFR 982.503.

**G. CHANGE OF OWNERSHIP**

DMHA will process a change of ownership only upon the request of the previous owner

DMHA must receive a written request by the owner in order to make changes regarding who is to receive DMHA's rent payment and the address at which payment is to be sent by completing a Transfer of Ownership form provided by DMHA and only if accompanied by a copy of the Recorded Grant Deed showing the transfer of title and the Tax Identification Number of the corporation or the Social Security number if the owner is an individual, not a corporation.

The Transfer form will require the signature(s) of the previous owner(s) as well as the new owner(s).

DMHA will update its files and records to reflect the new information received.

## Chapter 15

### REEXAMINATIONS, INTERIMS, ANNUAL INSPECTIONS, RENT ADJUSTMENTS BY OWNERS

[24 CFR 982.516]

#### **INTRODUCTION**

In accordance with HUD requirements, GDPM will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This Chapter defines GDPM's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

#### **A. ANNUAL ACTIVITIES** [24 CFR 982.516, 982.405]

There are two activities GDPM must conduct on an annual basis. These activities will be coordinated whenever possible:

Recertification of income and family composition

HQS inspection

Contract rent adjustment by owner, if requested

GDPM produces a monthly listing of units under contract to ensure that timely reviews of contract rent, allowances for utilities and other services, housing quality and reexamination of the family's income and composition. Annual re-certifications for mid-month move-ins (ex: September 15) will be conducted no later than the following year by the first of the move in month (ex: September 1).

#### **B. ANNUAL RECERTIFICATION/REEXAMINATION** [24 CFR 982.516]

Families are required to be recertified at least annually. Families will be requested to provide information on income, assets, allowances, deductions and family composition at least annually.

Income limits are not used as a test for continued eligibility at recertification.

## **Reexamination Notice to the Family**

GDPM will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, GDPM will provide the notice in an accessible format. GDPM will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

## **Procedure**

GDPM's procedure for conducting annual recertifications will be to schedule the date and time of the appointment and mail a notification to the family (with a copy to the owner of the property). GDPM has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate. Reexaminations will be conducted in a group briefing. An application form (such as a Personal Declaration Form) will be given to the participant to complete at the briefing. The participant will be instructed to fill out the application form and the authorizations for third party documents that support the information in the form.

GDPM will also review with the family the following:

Family obligations under the program

HUD Form 9226 – Authorization for the Release of Information

Information regarding lead-based paint

## **Persons with Disabilities**

Persons with disabilities who are unable to come to GDPM's office and anyone over the age of 62 will be granted an accommodation by conducting the reexamination briefing at the person's home. This briefing will be done by the Housing Inspector at the same time the housing quality inspection will be completed.

## **Requirements to Attend**

The head of household and/or spouse and/or co-head will be required to attend the recertification interview:

If the head of household/spouse/co-head are unable to attend the interview the appointment will be reschedule.

## **Failure to Respond to Notification to Recertify**

The family may call to request another appointment date. If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with GDPM, GDPM will reschedule a second appointment.

Board Approved 6-20-12

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, GDPM will send family notice of termination and offer them an informal hearing.

Exceptions to these policies may be made by the Recertification Supervisor, Assistant Manager or Manager, HCV Administration if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

### **Documents Required From the Family**

In the notification letter to the family, GDPM will include instructions for the family to bring name and address information for all household income, assets and deductions/allowances.

### **Verification of Information**

GDPM will follow the verification procedures and guidelines described in chapter 9 of this Plan. Verifications for reexaminations must be less than 120 days old.

### **Tenant Rent Increases**

If tenant rent increases, a thirty day notice is mailed to the family prior to the scheduled effective date of the annual recertification.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the tenant rent increase will be effective on the first of the month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

### **Tenant Rent Decreases**

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by GDPM.

### **Completion of Annual Recertification**

GDPM will have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the scheduled date of the change in family rent.

**C. REPORTING INTERIM CHANGES** [24 CFR 982.516]

Program participants must report all changes in household composition to GDPM between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody.

The family must obtain GDPM approval prior to all other additions to the household. In determining if an increase in household can be approved, GDPM will take into consideration the following:

Does the addition result in overcrowding according to the subsidy standards?

Does this addition to the household require approval for a larger certificate/voucher size?

By adding this person to the household, does this family still qualify to live in the unit – would the unit be overcrowded with the addition of this person?

Does this person have any violent criminal or drug-related criminal activity?

Has this person been evicted from public housing or HCV housing in the past?

Has this person been part of a family whose assistance has been terminated under the Certificate or Voucher Program?

Does this person currently owe rent or other amounts to GDPM or to another Housing Authority in connection with HCV or public housing assistance under the 1937 Act?

Has this person engaged in or threatened abusive or violent behavior toward GDPM personnel?

Is this person a registered sex offender?

If all these areas have been considered and the answer to all are “no”, the requested family member can be added, keeping in mind the definition of family located in chapter 4 of this plan. The above questions would also be used in determining whether approval can be given for foster care children.

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

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

**Visitors:**

Visitors are allowed to stay for up to 15 consecutive calendar days and up to 30 days in a calendar year under the typical lease. Visitors are not members of the family. If the person is a visitor and does not intend to become a “permanent” member of the family, GDPM does not have to consider this a change in family composition.

Board Approved 6-20-12

Visitors who stay longer than the specified period must have written permission of the landlord with a copy to GDPM. Any adult visitor who has been in the unit more than 30 days (construed as overnight stays) in a 12-month period will be considered to be living in the unit as a household member, with the owner's permission.

Acceptable proofs of a different location as his/her permanent residence are included in Chapter 9. Verification.

Minors and college students who were part of the family but who not live away from home during the school year and are not considered members of the household may visit for up to 150 days per year without being considered members of the household, as long as their have written permission of the owner/manager to stay longer than 30 days.

In addition, in a joint custody arrangement, if the minor is in the household less than 184 days per year, the minor will be considered to be an eligible visitor and not a family member.

### **Interim Reexamination Policy**

GDPM will conduct interim reexaminations when families have an increase in income, assets or decrease in allowances/deductions. Families will be required to report all increases in income/assets in writing within ten working days of the increase. Families are also required to report receipt of a deferred payment in a lump sum that represents delayed start of a periodic payment such as unemployment or Social Security benefits or a deferral due to a dispute (such as back child support payments). Lump sum payments up to \$1,000 will not have to be reported as an interim adjustment.

If the lump sum payment is \$1,000 or more, a deduction will be made for HJUD allowable legal expenses incurred in seeking the award.

### **PHA Errors**

If GDPM makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

## **D. OTHER INTERIM REPORTING ISSUES**

An interim reexamination does not affect the date of the annual recertification. An interim reexamination will be scheduled for families with zero income every 90 days.

## **E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM**

Board Approved 6-20-12

**REQUIREMENTS** [24 CFR 5.615]

GDPM will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

Fraud in connection with the welfare program, or

Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, GDPM will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits, or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or

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

**Definition of Covered Family**

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

**Definition of "Imputed Welfare Income"**

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by GDPM, based on written information supplied to GDPM by the welfare agency, including:

The amount of the benefit reduction

The term of the benefit reduction

The reason for the reduction

Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Recertification Specialist] will review the calculation for accuracy. If the imputed welfare income amount is correct, GDPM will provide a written notice to the family that includes:

A brief explanation of how the amount of imputed welfare income was determined;

A statement that the family may request an informal hearing if they do not agree with GDPM determination.

### **Verification Before Denying a Request to Reduce Rent**

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

GDPM will rely on the welfare agency's written notice to GDPM regarding welfare sanctions.

### **Cooperation Agreements** [24 CFR 5.613]

GDPM will execute a Cooperation Agreement with the local welfare agency under which the welfare agency agrees to provide written verification to GDPM concerning welfare benefits for applicant and participant families, and specified reduction in welfare benefits for a family member, listing: amount of reduction; reason for reduction; term of reduction, and subsequent redetermination.

### **Family Dispute of Amount of Imputed Welfare Income**

If the family disputes the amount of imputed income and GDPM denies the family's request to modify the amount, GDPM will provide the tenant with a notice of denial, which will include:

An explanation for GDPM's determination of the amount of imputed welfare income

A statement that the tenant may request an informal hearing.

A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be GDPM's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

## **F. TIMELY REPORTING OF CHANGES** [24 CFR 982.516(c)]

### **Standard for Timely Reporting of Changes**

GDPM requires that families report interim changes to GDPM in writing within ten working days of when the change occurs. Any information, document or signature needed from the family that is needed to verify the change must be provided within ten working days of the date of notification of information, document or signature needed from GDPM.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

### **Procedures when the Change is Reported in a Timely Manner**

GDPM will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results. The change will not be made until the third party verification is received.

### **Procedures when the Change is Not Reported by the Family in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement.

Decrease in Tenant Rent will be effective on the first of the month following the month that the change was reported.

### **Procedures when the Change is Not Processed by GDPM in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by GDPM in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the Board Approved 6-20-12

month after completion of processing by GDPM.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

**G. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES** [24 CFR 982.516(c)]

(See "Subsidy Standards" chapter.)

**H. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES** [24 CFR 5.518]

Under the Noncitizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Noncitizens 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 under this provision.

**I. MISREPRESENTATION OF FAMILY CIRCUMSTANCES**

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

**J. NOTIFICATION OF RESULTS OF RECERTIFICATIONS/INTERIM CHANGES**  
[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. Signatures are not required by GDPM. If the family disagrees with the rent adjustment, they may request an informal hearing.

Board Approved 6-20-12

**K. ANNUAL INSPECTIONS[24 CFR 982.551 (d), 982.405]**

GDPM will conduct an inspection using the Housing Quality Standards and other standards in this Administrative Plan as described in Chapter 12, at least annually.

Annual inspections for mid-month move-ins (e.g., September 15) will be conducted no later than the twelve months from the date of the last annual/reinspection conducted.

**Owner HQS Obligations**

The owner must be given time to correct the failed items, other than those noted as being a tenant responsibility item. There are two guidelines to use:

If the item endangers the family's health or safety (using the emergency item list below), the owner must be given 24 hours to correct the violation.

For less serious failures, the owner must be given up to thirty days to correct the item(s).

If the owner fails to correct deficient items, after s/he has been given a reasonable time to correct the items, GDPM will take prompt and vigorous action to enforce the owner HQS obligations. GDPM remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract. Re-inspections for deficiency items will include only those items that failed. However, if the inspector encounters other deficiencies, the landlord will be notified and the regular deficiency procedures will be followed.

The owner is not responsible for a breach of the HQS that is not caused by the owner and for which the family is responsible.

**Family HQS Obligations:**

The family is responsible for a breach of the HQS that is caused by any of the following:

The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;

The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or

Any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear).

Examples of damages beyond ordinary wear and tear would include but not limited to:

extremely soiled wall paint or holes in the walls;

heavily soiled carpet and damage to carpet from burns and stains;

broken glass panes;

damaged window screens;

torn floor tile;

damaged screen/storm doors

If the HQS violation is caused by the family, the family must be given time to correct the failed items. There are two guidelines to use:

If the item endangers the family' health or safety (using the emergency repair items listed in chapter 17), the family must be given 24 hours to correct the violation.

For less serious failures, the family must be given up to 30 days to correct the items.

If the family has caused a breach of the HQS and the family fails to correct the deficient items, after s/he has been given a reasonable time to correct the items, including emergency repair items. GDPM will take prompt and vigorous action to enforce the family obligations. GDPM will terminate assistance for the family in accordance with Chapter 19.

**Abatement (HQS Obligations of Owner):**

When it has been determined that a unit on the program fails to meet Housing Quality Standards and the owner has been given an opportunity to correct the problem(s) and does not do so within the time frame established by GDPM, the HAP payment for the unit shall be abated.

A Letter of Abatement Notice shall be sent to the owner the next working day after the repair failed reinspection. The abatement shall be effective the first of the following month and continue until all items which caused the unit to fail have been corrected.

GDPM will inspect abated units within five days of the owner's contact with GDPM to report the completed work.

If the owner makes repairs during this period and the tenant intends to stay in the unit, the abatement will end the first business day that the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the HAP payment was abated, and the tenant is not responsible to the owner for GDPM's portion of rent that was abated.

**HAP Contract Termination:**

Board Approved 6-20-12

If the owner's payments have been abated for at least 30 days and the owner has not contacted the GDPM office to state that the repairs are completed to the unit, the family will be advised to locate another housing unit for assistance, since the owner has failed to maintain the unit. During the time period of the family's housing search, the payments to the owner will remain abated.

Once the family has located an approvable unit and is willing to relocate, the owner will be sent a Notice of Termination of the HAP Contract.

When the HAP Contract or Voucher Subsidy Contract is terminated, it will not be reinstated.

**Responsibility of the Family to Allow Inspection:**

GDPM must be allowed to inspect the unit at reasonable times with reasonable notice.

Inspections will be conducted on business days only. Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 p.m.

The family and landlord are notified of the inspection appointment by mail. If the family is not able to be at home, they should make arrangements to have an adult family representative or the landlord present.

The inspectors will call the landlord and tenant prior to arriving at the unit for inspection. It is the responsibility of the landlord and tenant to make sure that the Housing Choice Voucher department has a correct phone number to call. A landlord/tenant cannot cancel an inspection or ask for a different time for inspection during this phone call. GDPM will not recognize this phone conversation as any type of cancellation for an inspection. If there is no answer or the number is not correct the inspector will proceed to the property as if the landlord/tenant were there.

If the family misses the inspection appointment and does not arrange for a representative or the landlord to be there, one more inspection (or re-inspection) appointment will be scheduled.

If the family misses two inspection appointments, GDPM will consider the family to have violated a family obligation and their assistance will be terminated, following the Termination of Assistance Notice, giving the family ten working days to request an informal hearing.

If the family does not contact GDPM within the time period for the Informal Hearing request, GDPM will send the Termination of HAP Contract with a thirty-day notice, prior to the first of the month, to the landlord.

If the family responds to the Termination Notice within ten working days by contacting GDPM, an Informal Hearing will be scheduled and conducted as outlined in Chapter 22.

**L. RENT ADJUSTMENTS BY OWNER**

**Voucher Program:**

Board Approved 6-20-12

Owners may not request a new lease or rent increase in the Voucher program prior to the expiration of the term of the lease.

The owners will be notified at the time of a family's annual recertification of their options.

The owner will need to submit their request by the deadline date specified in the owner's annual recertification letter. If this deadline is missed the owner's new lease or rent increase will not be granted

GDPM will advise the family as to whether the rent is reasonable and shall approve or disapprove the rent increase.

### **Special Contract Rent Adjustments for Certificate/Moderate Rehabilitation Program**

Owners may submit a request for a special rent adjustment (over and above the annual adjustment) but must document the following:

- The costs of owning and maintaining a unit have increased.
- The increase is a result of substantial general increases in real property taxes, utility rates or similar costs (i.e. assessments and utilities not covered by regulated rates).
- The annual contract rent adjustment does not compensate the owner for the increases.

The Fair Market Rent limitation does not apply to special adjustments but the rent reasonableness limitation does.

If GDPM reviews the information submitted by the owner and believes the owner's request is warranted, the request is forwarded to the HUD Field Office for review and approval.

GDPM's request to HUD must include:

GDPM's rent reasonableness determination

A copy of the owner's lease.

The owner's financial statement which supports the increase.

GDPM's analysis of the owner's documentation.

GDPM's recommendation for approval or disapproval.

HUD will notify GDPM of its approval/disapproval of the owner's request for a special

adjustment and the effective date.

The special adjustment (if approved) is effective the later of:

- the first day of the month following the implementation of the cost increase that was issued to justify the rent increase.
- the first day of the month after the owner's request.

Any disapproval of the owner's request for a special contract rent adjustment will be in writing and will state the reasons for the disapproval.

## **CHAPTER 16**

### **ANNUAL ACTIVITIES**

#### **INTRODUCTION**

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at DMHA's discretion, the Voucher Payment Standard amount is set by DMHA between 90% and 110% of the HUD published FMR. This is considered the basic range.

DMHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, DMHA will ensure that the Payment Standard is always within the range of 90% to 110% of the new FMR, unless an exception payment standard has been approved by HUD.

DMHA will establish a single voucher payment standard amount for each FMR area in DMHA's jurisdiction. For each FMR area, DMHA will establish payment standard amounts for each "unit size". DMHA may have a higher payment standard within DMHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90-110% of FMR range.

DMHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities.

#### **A. ADJUSTMENTS TO PAYMENT STANDARDS** [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. DMHA will not raise Payment Standards solely to make "high end" units available to Voucher holders. DMHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

##### **Assisted Families' Rent Burdens**

DMHA will review its voucher payment standard amounts at least annually to determine whether more than 40 percent of families in a particular unit size are paying more than 40% of their annual adjusted income for rent.

If it is determined that particular unit sizes in DMHA's jurisdiction have payment standard amounts that are creating rent burdens for families, DMHA will modify its payment standards for those particular unit sizes.

##### **Quality of Units Selected**

DMHA will 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 only made when needed to reach the mid-range of the market.

### **PHA Decision Point**

DMHA will review the average percent of income of families on the program. If more than (percent – 25%) of families are paying more than 30% of monthly adjusted income, DMHA will determine whether there is a difference by voucher size, whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HQS and any additional standards added by DMHA in the Administrative Plan.

If families are paying more than 40% of their income for rent due to the selection of larger bedroom size units or luxury units, DMHA may decline to increase the payment standard. If these are not the primary factors for families paying higher rents, DMHA will continue increasing the payment standard.

### **Rent to Owner Increases**

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

### **Time to Locate Housing**

DMHA may consider the average time period for families to lease up under the Voucher program. If more than 50% of Voucher holders are unable to locate suitable housing within the term of the voucher and DMHA determines that this is due to rents in the jurisdiction being unaffordable for families even with the presence of a voucher the Payment Standard may be adjusted.

### **Lowering of the Payment Standard**

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

### **Financial Feasibility**

Before increasing the Payment Standard, DMHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, DMHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

### **File Documentation**

A file will be retained by DMHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

**B. EXCEPTION PAYMENT STANDARDS**

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

DMHA had not received HUD approval to establish a payment standard amount that is higher than the basic range.

**C. UTILITY ALLOWANCE SCHEDULE**

DMHA will review the Utility Allowance Schedule on an annual basis. This will be completed during the month of February of each year so that if the data requires changing the utility allowance, the new utility allowances can be utilized in the fiscal year budget that is submitted for HUD approval in April of each year which would be effective July 1 of each year. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant's rent calculations at their next reexamination.

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

## Chapter 17

### HOUSING QUALITY STANDARDS COMPLAINTS

#### **INTRODUCTION**

All units are inspected at least annually, using Housing Quality Standards. If at any time the tenant or owner complains in writing that the unit does not meet Housing Quality Standards, GDPM will conduct an inspection.

#### **A. COMPLAINT INSPECTIONS [24 CFR 982.405]**

The staff is required to inspect only the items about which the tenant or owner are complaining, but if the Inspector notices additional health and safety or lead based paint deficiencies that would cause the unit to fail the HQS, s/he must also note those items and require the repair to be completed.

The Owner may charge the tenant for repairs made due to tenant neglect or abuse. Local codes or laws may guide what recourse, if any, the Owner has in recovering costs of repairs.

The Owner may choose to initiate legal action against the tenant if there are grounds for such action.

If the HQS violation was due to normal wear and tear, the owner must be given time to correct the failed items. There are two guidelines to use:

If the item endangers the family's health or safety (using the emergency item list in this chapter), the owner must be given 24 hours to correct the violation.

For less serious failures, the owner must be given up to 30 days to correct the item(s).

If the owner fails to correct deficient items, after s/he has been given a reasonable time to correct the items, GDPM will take prompt and vigorous action to enforce the owner HQS obligations. GDPM remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.

The owner is not responsible for a breach of the HQS that is not caused by the owner and for which the family is responsible.

#### **B. EMERGENCY REPAIR ITEMS**

The following items are to be considered of an emergency nature and are to be corrected by the owner within 24 hours of notice by the Inspector:

Damaged lock mechanism on entrance doors to unit which will not latch or secure as intended

Waterlogged ceiling in imminent danger of falling

Electrical outlets, fixtures arcing, sparking including any spliced or exposed wire connections, and open ports

Escaping gas for any appliance, fixture, or apparatus including, but not limited to natural gas leaks, fumes, or odor

Major water leaks, flooding, or any drain line restrictions (tubs, sinks, lavatory, and toilet) including open waste lines

Natural gas leak or fumes

Electrical situation that could result in shock or fire

No heat when outside temperature is below 50°

No running hot water

Utilities not in service such as gas, electric, or water

Broken glass which poses a cutting hazard

Obstacle that prevents tenant's access or exit to or from unit

Non-Functioning toilet when only one is present. If two toilets are present owner will be given 48 hours to repair.

Any situation deemed a threat to persons or property at the discretion of the HCV Inspector

Inoperative or missing smoke detectors or fire alarm systems

Vermin Infestation including, but not limited to bed bugs, roaches, fleas, rodents, general pest, and occasional invaders.

GDPM may give a short extension (not more than 48 additional hours) whenever the owner cannot be notified or it is impossible to repair within the 24-hour period.

In those cases where there is leaking gas or potential of a fire within the notice period and the owner cannot be notified or it is impossible to repair, proper authorities will be notified by GDPM.

If emergency items are not corrected within 24 hours (or up to 72 hours, if an extension was granted), the owner will be given notice of the intent to terminate the HAP Contract and that the Housing Assistance Payment will be abated through the Termination Notice period. GDPM may send the notices simultaneously.

### **C. ABATEMENT**

When it has been determined that a unit on the program fails to meet Housing Quality Standards and the owner has been given an opportunity to correct the problem(s) and does not do so within the time frame established by GDPM, the HAP payment shall be abated.

A Letter of Abatement shall be sent to the owner the next working day after the failed reinspection. The abatement shall be effective the first of the following month and continue until all items which caused the unit to fail have been corrected.

If the owner does not contact GDPM 30 days after the abatement of the payments, the family will be scheduled an appointment to obtain an RTA packet to locate another unit for assistance. The

Board Approved 6-20-12

family will be issued a housing voucher to locate a unit within 60 days from the date the voucher is issued.

GDPM will inspect abated units within five days of the owner's contact with GDPM to report the completed work.

The abatement will end the day of the re-inspection of the unit if there are no deficiencies remaining. If the family had been issued an RTA packet to relocate, the family will be notified that the RTA packet will be voided since the unit is in compliance.

No retroactive payments will be made to the owner for the period of time the HAP payment was abated, and the tenant is not responsible to the owner for GDPM's portion of rent that was abated.

#### **D. HAP CONTRACT TERMINATION**

If the owner fails to correct all the deficiencies cited at the end of the abatement period after re-inspection, the owner will be sent a Notice of Termination of the HAP Contract.

While the termination notice is running, the abatement will remain in effect.

When the HAP Contract is terminated, it will not be reinstated.

**GDPM does not cancel the HAP Contract until the family has found an approved unit.**

## Chapter 18

### MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

[24 CFR 982.314, 982.353, 982.355(a), **923.353**]

#### **INTRODUCTION**

HUD regulations permit families to move with continued assistance to another unit within GDPM's jurisdiction, or to a unit outside of GDPM's jurisdiction under portability procedures. The regulations also allow the GDPM the discretion to develop policies that define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of GDPM's jurisdiction and the policies for restriction and limitations on moves.

#### **A. ALLOWABLE MOVES**

A family may move to a new unit with continued assistance if:

The assisted lease for the old unit has terminated because GDPM has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement.

The owner has given the family a notice to vacate, but has not filed the tenant in court.

The family has given proper notice of lease termination (and if the family has a right to terminate the lease on notice to owner).

If the family notifies GDPM that they have received foreclosure paper work on the current assisted Section 8 property GDPM will allow the family to move

#### **B. RESTRICTIONS ON MOVES**

Families will not be permitted to move within GDPM's jurisdiction during the initial year of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period, unless it is thru a mutual termination.

GDPM will deny permission to move if there is insufficient funding for continued assistance.

GDPM will deny permission to move if:

The family has violated a family obligation.

The family is delinquent on a repayment agreement that was entered into with GDPM.

The family has moved or been issued a voucher within the last twelve months.

The Assistant Director or Director of Section 8 Administration may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

### **C. NEW LEASE OR REVISION**

Owners may request a new lease or rent increase in the Voucher program prior to the expiration of the term of the lease, but it will not be honored until the prior lease expires. The owners will be notified at the time of a family's annual recertification of their options.

The owner will need to submit their request by the deadline date specified in the owner's annual recertification letter. If this deadline is missed the owner's new lease or rent increase will not be granted

### **D. PROCEDURE FOR MOVES** [24 CFR 982.314]

#### **Issuance of Voucher**

Subject to the restrictions on moves, GDPM will issue the voucher to move and conduct a recertification of income/assets/deductions. The annual recertification date will be changed to coincide with the new lease-up date.

#### **Notice Requirements**

Briefing sessions emphasize the family's responsibility to give the owner and the GDPM proper written notice of any intent to move.

The family must come to the Section 8 office and request Notice of Intent to vacate paper work; this must be filled out at the Section 8 Office. The written Notice of Intent to Vacate runs from the first of the month to the first of the month. No mid-month notices will be accepted. A copy of the notice will be given to the tenant to give to the owner. The family may give a 30 or 60 day notice of intent to vacate. At the discretion of Section 8 Management, GDPM will decline to accept 30 day notices and will only accept 60 day notices. If 60 day notices are only being accepted there will be a notice posted in the lobby of the Section 8 Office. If GDPM is only accepting 60 day notices, 30 day notices will be granted to clients whose owners agree to a *Mutual Termination* and the correct paperwork has been submitted.

### **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 except that there will be no overlapping assistance.

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

### **E. WHEN LEASED UNIT IS TOO BIG OR TOO SMALL**

If GDPM determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, GDPM will issue the family a new voucher.

GDPM will also notify the family of the circumstances under which an exception will be granted, such as if a family with a disability is under housed in an accessible unit or if a family requires the additional bedroom because of a health problem which has been verified by GDPM.

When GDPM terminates the HAP contract due to the above reason, GDPM must notify the family and owner of the termination; and the HAP contract terminates at the end of the calendar month that follows the calendar month in which GDPM gives notice to the owner.

### **F. PORTABILITY** [24 CFR 982.353]

Portability applies to families moving out of or into GDPM's jurisdiction within the United States and its territories.

The Initial Housing Authority is the Housing Authority that issues the voucher. The Housing Authority is sometimes referred to as the Issuing Housing Authority.

The Receiving Housing Authority is the party that accepts the voucher from the Initial Housing Authority. The Receiving Housing Authority may administer the assistance from the Initial Housing Authority and bill them or absorb the family into its own program.

**G. OUTGOING PORTABILITY** [24 CFR 982.353, 982.355]

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside GDPM's jurisdiction, anywhere in the United States, in the jurisdiction of a GDPM with a tenant-based program.

GDPM will provide pre-portability counseling for those families who express an interest in portability. If the family is utilizing lease-up, GDPM will determine if the family is within the very low income limit of the receiving PHA.

When a family requests to move outside of GDPM's jurisdiction, the request must specify the area to which the family wants to move. GDPM will notify the Receiving PHA that the family wishes to relocate into its jurisdiction.

If there is more than one PHA in the area in which the family has selected a unit, GDPM will choose the receiving PHA.

GDPM will provide the following documents and information to the Receiving PHA:

Information on the HUD portability form, including a copy of the family's voucher with issue and expiration dates, formally acknowledging the family's ability to move under portability.

The most recent HUD 50058 form and verifications.

Declarations and verifications of US citizenship/eligible immigrant status.

The Receiving PHA must notify GDPM within the time period specified on the HUD portability form of the following:

The Receiving PHA decision on whether they will be billing or absorbing the family into their program.

The family leases up or fails to submit a Request for Tenancy Approval

Assistance to a portable family is terminated by the Receiving PHA

The family request to move to an area outside the Receiving PHA's jurisdiction.

### **Payment to the Receiving PHA**

GDPM will requisition funds from HUD based on the anticipated lease-ups of portable vouchers in other jurisdictions. Payments for families in other jurisdictions will be made to other PHAs when billed or in accordance with other HUD approved procedures for payment.

When billed, GDPM will reimburse the Receiving PHA for 100% of the Housing Assistance Payment and 80% of the administrative fee (at the Initial PHA's rate).

### **Claims**

GDPM will be responsible for collecting amounts owed by the family for repayment agreements. GDPM will notify the Receiving PHA if the family is in arrears or if the family has refused to sign a repayment agreement, and the Receiving PHA will be asked to terminate assistance to the family as allowed by this administrative plan.

Receiving PHAs will be required to submit hearing determinations to GDPM within 30 days from the date of the notification of the proposed termination.

### **Restrictions on Portability**

#### **Applicants**

If neither the head nor spouse had a domicile (legal residence) in GDPM's jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher. [NOTE: legal domicile is defined by local government.]

For a portable family that was not already receiving assistance in GDPM's based program, the GDPM must determine whether the family is eligible for admission under the receiving PHA's program.

#### **Participants**

After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy, unless the family's move relates to an opportunity for education, job training or employment.

GDPM will not permit families to exercise portability:

If the family is in violation of a family obligation.

The family is delinquent on a repayment agreement that was entered into with GDPM.

If the family has moved out of its assisted unit in violation of the lease.

Receiving PHA's will be required to submit hearing determinations to GDPM within ten working days.

## **H. INCOMING PORTABILITY** [24 CFR 982.354, 982.355]

### **Absorption or Administration**

GDPM will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the family will be issued a "portable" voucher by GDPM. The term of the voucher will not expire before the expiration date of the initial PHA voucher. The family must submit a request for tenancy approval for an eligible unit to GDPM during the term of the "portable" voucher. GDPM will not grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease-up in GDPM's jurisdiction, they must contact the initial PHA to request an extension.

GDPM will absorb all incoming portable families provided that there is funding available.

When GDPM does not absorb the incoming voucher, it will administer the initial PHA's voucher and GDPM's policies will prevail.

For admission to the program a family must be income eligible in the area where the family initially leases a unit with assistance under the program.

GDPM does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA Section 8 tenant-based program.

GDPM will issue a "portability voucher" according to its own Subsidy Standards. If the family has a change in family composition that would change the voucher size, the GDPM will change to the proper size based on its own Subsidy Standards.

### **Income and Total Tenant Payment of Incoming Portables [982.353(d)]**

As receiving PHA, GDPM will conduct a recertification interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family's circumstances.

If GDPM conducts a recertification of the family it will not cause a delay in the issuance of a voucher.

If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in GDPM's jurisdiction, GDPM will refuse to enter into a contract on behalf of the family at \$0 assistance.

### **Requests for Tenancy Approval**

A briefing will be mandatory for all portability families.

When the family submits a Request for Tenancy Approval, it will be processed using GDPM's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within ten working days of the expiration date by GDPM.

If the family leases up successfully, the GDPM will notify the initial PHA within ten working days, and the billing process will commence.

GDPM will notify the initial PHA if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.

If GDPM denies assistance to the family, the GDPM will notify the initial PHHA within ten working days and the family will be offered a review or hearing.

GDPM will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside GDPM's jurisdiction under continued portability.

### **Regular Program Functions**

The GDPM will perform all program functions applicable the tenant-based assistance program, such as:

Annual reexaminations of family income and composition;

Annual inspection of the unit; and

Interim examinations when requested or deemed necessary by the GDPM

### **Terminations**

GDPM will notify the initial PHA in writing of any termination of assistance within ten working days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by GDPM, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHA notifies GDPM that the family is in arrears or the family has refused to sign a payment agreement, GDPM will terminate assistance to the family.

### **Required Documents**

As receiving PHA, GDPM will require the documents listed on the HUD Portability Billing Form from the initial PHA.

### **Billing Procedures**

As the receiving PHA, GDPM will bill the initial PHA monthly for housing assistance payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial PHA.

GDPM will bill 100% of the housing assistance payment, 100% of special claims and 80% of the administrative fee (at the initial PHA's rate) for each "portability" voucher leased as of the first day of the month.

GDPM will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify GDPM of changes in the administrative fee amount to be billed.

## Chapter 19

### CONTRACT TERMINATIONS

[24 CFR 982.311, 982.314]

#### **INTRODUCTION**

The Housing Assistance Payments (HAP) contract is the contract between the owner and GDPM that defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by GDPM and the owner, and the policies and procedures for such terminations.

#### **A. CONTRACT TERMINATION** [24 CFR 982.311]

The term of the HAP contract is the same as the term of the lease. The contract between the owner and GDPM may be terminated by GDPM, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by GDPM to the owner after the month in which the contract is terminated. The owner must reimburse GDPM for any subsidies paid by GDPM for any period after the contract termination date.

If the family continues to occupy the unit after the Section 8 contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from GDPM for vacancy loss under the provisions of certificate HAP contracts effective before October 2, 1995.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

#### **B. TERMINATION BY THE FAMILY: MOVES** [24 CFR 982.314(c)(2)]

Family termination of the lease must be in accordance with the terms of the lease. See chapter 18 for further guidance on moves with continued assistance.

**C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS**  
[24 CFR 982.310, 982.455]

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the term of the lease the owner may only evict for:

Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;

Violations of Federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises.

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 982.310)

**Evidence of Criminal Activity**

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity:

Regardless of arrest or conviction

Without satisfying the standard of proof used for a criminal conviction

**Termination of Tenancy Decisions**

If the law and regulation permit the owner to take an action but don't require action to be taken, the owner can decide whether to take the action. Relevant circumstances for consideration include:

The seriousness of the offense

The effect on the community

Board Approved  
1.16.08

The extent of participation by household members

The effect on uninvolved household members

The demand for assisted housing by families who will adhere to responsibilities

The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action

The effect on the integrity of the program

### **Exclusion of culpable household member**

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit.

### **Consideration of Rehabilitation**

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

Is no longer participating

Has successfully completed a supervised drug or alcohol rehab program

Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the three (above).

Actions of termination by the owner must be consistent with the fair housing and equal opportunities 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.

GDPM requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for GDPM'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, GDPM must continue to

Board Approved  
1.16.08

make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

If the action is finalized in court, the owner must provide GDPM with the documentation, including notice of the lock-out date.

GDPM must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from GDPM, the owner certifies that the tenant is still in the unit, the rent is reasonable and s/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if GDPM has no other grounds for termination of assistance, GDPM may issue a new voucher so that the family can move with continued assistance.

**D. TERMINATION OF THE CONTRACT BY GDPM**  
[24 CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]

The term of the HAP contract terminates when the lease terminates, when GDPM terminates program assistance for the family, and when the owner has breached the HAP contract. (See "Owner Disapproval and Restriction" chapter)

GDPM may also terminate the contract if:

GDPM terminates assistance to the family.

The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition.

Funding is no longer available under the ACC.

**Notice of Termination**

When GDPM terminates the HAP contract under the violation of HQS space standards, GDPM will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which GDPM gives such notice to the owner.

**E. FAMILY MISREPRESENTATION**

If the family has committed fraud in connection with the Section 8 Rental Assistance Program, GDPM may terminate assistance and cancel the Contract.

If the family has misrepresented income, assets, or allowances and deductions that would have caused them to pay more, GDPM will make every effort to recover any overpayments made as a result of tenant fraud or abuse. GDPM may offer to continue assistance on the condition that the family agrees to reimburse GDPM for the overpayments. See chapter 24 of this administrative plan regarding repayment agreements.

**F. OWNER MISREPRESENTATION**

If the landlord has committed fraud or misrepresentation in connection with the Section 8 Rental Assistance Program, GDPM will terminate the Contract and review the circumstances and family's involvement to determine if the family is eligible for recertification to relocate to another unit with continuation of assistance.

GDPM makes every effort to recover any overpayments made as a result of landlord fraud or abuse.

If the owner has committed fraud, GDPM may restrict the owner from future participation in the program for a reasonable period of time, commensurate with the seriousness of the offense.

**G. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS**

Families who were participants on June 19, 1995, but are ineligible for continued assistance due to the ineligible immigration status of all members of the family, or because a “mixed” family chooses not to accept pro-ration of assistance, are eligible for temporary deferral of termination of assistance if necessary to permit the family additional time for transition to affordable housing.

Deferrals may be granted for intervals not to exceed six months, up to an aggregate maximum of:

3 years for deferrals granted prior to 11/29/96, or 18 months for deferrals granted after 11/29/96.

The family will be notified in writing at least 60 days in advance of the expiration of the deferral period that termination of assistance will not be deferred because:

Board Approved  
1.16.08

- a. granting another deferral will result in an aggregate deferral period of longer than the statutory maximum (three years for deferrals granted before 11/29/96; 18 months for deferrals granted after 11/29/96), or
- b. a determination has been made that other affordable housing is available.

## Chapter 20

### DENIAL OR TERMINATION OF ASSISTANCE

[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

#### **INTRODUCTION**

GDPM may deny or terminate assistance for a family because of the family's action or failure to act. GDPM will provide families with a written description of the family obligations under the program, the grounds under which GDPM can deny or terminate assistance, and GDPM's informal hearing procedures. This chapter describes when GDPM is required to deny or terminate assistance, and GDPM's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

#### **A. GROUNDS FOR DENIAL/TERMINATION** [24 CFR 982.54, 982.552, 982.553]

If denial or termination is based upon behavior resulting from a disability, depending on the family's disability, on a case by case, basis GDPM may delay the denial or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

#### **Form of Denial/Termination**

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on GDPM waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a tenancy
- Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a tenancy
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

#### **Mandatory Denial and Termination** [24 CFR 982.54 (d), 982.552(b), 982.553(a), 982.553(b)]

Dayton Metropolitan Housing Authority  
Board Approved 10-20-10

GDPM must terminate assistance for participants if the family is under contract and 180 days have elapsed since GDPM's last housing assistance payment was made. (See "Contract Terminations" chapter.)

GDPM must permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

GDPM must deny admission to the program for applicants, and terminate assistance for program participants if GDPM determines that any household member is currently engaging in illegal use of a drug. See section B of this chapter for GDPM's established standards.

GDPM deny admission to the program for applicants, and terminate assistance for program participants if GDPM determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for GDPM's established standards.

GDPM must deny admission to an applicant if GDPM determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. See section B of this chapter for GDPM's established standards regarding criminal background investigation and determining whether a member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

GDPM must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

GDPM must deny admission to the program for an applicant or terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.

GDPM must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

**Grounds for Denial or Termination of Assistance** [24 CFR 982.552(c)]

GDPM will deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

If any family member violates any family obligation under the program as listed in 24 CFR 982.551.

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any drug-related criminal activity.

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any violent criminal activity.

Any member of the family has been evicted from federally assisted housing in the last three years.

If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to GDPM or to another PHA in connection with Housing Choice Voucher or Asset Management housing assistance under the 1937 Act.

The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family breaches an agreement with a PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA. GDPM at its discretion may offer the family the opportunity to enter into a repayment agreement. GDPM will prescribe the terms of the agreement. (See "Repayment Agreements" chapter.)

The family has engaged in or threatened abusive or violent behavior toward PHA personnel.

"Abusive or violent behavior towards PHA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

"Threatening" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination.

If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents. See section B of this chapter.

If any member of the family commits drug-related criminal activity, or violent criminal activity. (See Section B of this chapter and 982.553 of the regulations)

Refer to "Eligibility for Admission" chapter, "Other Criteria for Admission" section for further information.

## **B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

### **Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of GDPM to fully endorse and implement a policy designed to:

Help create and maintain a safe and drug-free community

Keep our program participants free from threats to their personal and family safety

Support parental efforts to instill values of personal responsibility and hard work

Help maintain an environment where children can live safely, learn and grow up to be productive citizens

Assist families in their vocational/educational goals in the pursuit of self-sufficiency

### **Administration**

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

### **Screening of Applicants**

In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, GDPM will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household who is 18 years of age or older.

### **HUD Definitions**

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

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

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

*Guest*, for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

*Household*, for the purposes of 24 CFR Part 982 and this chapter, means the family and PHA-approved live-in aide.

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

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

### **Standard for Violation**

GDPM will deny participation in the program to applicants and terminate assistance to participants in cases where GDPM determines there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where GDPM determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse.

GDPM will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous six months.

“Engaged in or engaging in” violent criminal activity means any act within the past three years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which resulted in the arrest and/or conviction of the applicant, participant, or household member.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

### **Drug Related and Violent Criminal Activity**

Ineligibility for admission if Evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the Housing Choice Voucher Program for a three-year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, GDPM determines that:

The circumstances leading to eviction no longer exist because:

The criminal household member has died.

The criminal household member is imprisoned.

Applicants will be denied assistance if they have been arrested/convicted/evicted from Federally assisted housing for violent criminal activity within the last three years prior to the date of the certification interview.

### **Denial of Assistance for Sex Offenders**

GDPM will deny admission if any member of the household is subject to any registration requirement under a State sex offender registration program. In screening applicants, GDPM will perform criminal history background checks to determine whether any household member is subject to a sex offender registration requirement.

### **Termination of Assistance for Participants**

#### **Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity:**

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations at 24 CFR 982.553(b) require GDPM to establish standards for termination of assistance when this family obligation is violated. GDPM has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been:

arrested/convicted/evicted from a unit assisted under any Federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the date of the notice to terminate assistance.

If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, GDPM will terminate assistance.

In appropriate cases, GDPM may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside in the unit. If the violating member is a minor, GDPM may consider individual circumstances with the advice of Juvenile Court officials.

GDPM will waive the requirement regarding drug-related criminal activity if:

The person demonstrates successful completion of a credible rehabilitation program approved by GDPM, or

The circumstances leading to the violation no longer exist because the person who engaged in drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration.

### **Terminating Assistance for Alcohol Abuse by Household Members**

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if GDPM determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Assistance will be terminated if a household member is arrested/convicted/incarcerated for any alcohol-related criminal activity on or near the premises within any 6 month period.

In appropriate cases, GDPM may permit the family to continue receiving assistance provided that household members determined to have engaged in the prescribed activities will not reside in the unit. If the violating member is a minor, GDPM may consider individual circumstances with the advice of Juvenile Court officials.

### **Notice of Termination of Assistance**

In any case where GDPM decides to terminate assistance to the family, GDPM must give the family written notice that states:

The reason(s) for the proposed termination,

The effective date of the proposed termination,

The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.

The date by which a request for an informal hearing must be received by GDPM.

If GDPM proposes to terminate assistance for criminal activity as shown by a criminal record, GDPM will provide the subject of the record and the tenant with a copy of the criminal record.

GDPM will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

### **Required Evidence**

*Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

GDPM will pursue fact-finding efforts as needed to obtain credible evidence.

### **Confidentiality of Criminal Records**

GDPM will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance and to Housing Choice Voucher management.

Misuse of the above information by any employee will be grounds for termination of employment.

## **C. FAMILY OBLIGATIONS** [24 CFR 982.551]

The family must supply any information that GDPM or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or

eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release or other documentation.

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

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS breach caused by the family as described in 982.404(b).

The family must allow GDPM to inspect the unit at reasonable times and after reasonable notice.

The family may not commit any serious or repeated violations of the lease.

The family must notify the owner and, at the same time, notify GDPM before the family moves out of the unit or terminates the lease upon notice to the owner.

The family must promptly give GDPM a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by GDPM. The family must promptly inform GDPM of the birth, adoption or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

The family must promptly notify GDPM if any family member no longer resides in the unit.

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

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.

The family must not sublease or let the unit.

The family must not assign the lease or transfer the unit.

The family must supply any information or certification requested by GDPM to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with GDPM for this purpose. The family must promptly notify GDPM of absence from the unit.

The family must not own or have any interest in the unit.

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

The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. An assisted family, or members of the family, may not receive Housing Choice Voucher tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

**Housing Authority Discretion** [24 CFR 982.552(c)]

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, GDPM has discretion to consider all of the circumstances in each case, including the seriousness of the case. GDPM will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. GDPM may also review the family's more recent history and record of compliance and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

GDPM may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. GDPM may permit the other members of a family to continue in the program.

GDPM will have the discretion to consider any new applicant who has been denied admission to the program after an informal hearing has been requested by the family. On a case by case bases.

## **Enforcing Family Obligations**

### Explanations and Terms

The term "promptly" when used with the family obligations always means "within ten working days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

### HQS Breach

The housing inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by Housing Choice Voucher Program management.

### Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

If the owner terminates tenancy through court action for serious or repeated violation of the lease.

If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and GDPM determines that the cause is a serious or repeated violation of the lease based on available evidence.

Nonpayment of rent is considered a serious violation of the lease.

If a family vacates an assisted unit and leaves damages that are deemed above normal wear and tear and would not be covered by the security deposit paid to the owner.

### Notification of Eviction

If the family requests assistance to move and they did not notify GDPM of an eviction within five working days of receiving the Notice of Lease Termination, the move will be denied.

### Proposed Additions to the Family

GDPM will deny a family's request to add additional family members who are:

Persons who are registered sex offenders.

Persons who have been evicted from public housing.

Persons who have previously violated a family obligation listed in 24 CFR 982.551 of the HUD regulations.

Persons who have been part of a family whose assistance has been terminated under the Certificate or Voucher program.

Persons who commit drug-related criminal activity or violent criminal activity.

Persons who do not meet GDPM's definition of family.

Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

Persons who currently owe rent or other amounts to GDPM or to another PHA in connection with Housing Choice Voucher or public housing assistance under the 1937 Act.

Persons who have engaged in or threatened abusive or violent behavior toward PHA personnel.

#### Family Member Moves Out

Families are required to notify GDPM if any family member leaves the assisted household. When the family notifies GDPM, they must furnish the following information:

The date the family member moved out.

The new address, if known, of the family member.

A statement as to whether the family member is temporarily or permanently absent.

#### Limitation on Profit-Making Activity in Unit

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business that is not available for sleeping, it will be considered a violation.

If GDPM 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 GDPM determines the business is not legal, it will be considered a program violation.

#### Interest in Unit

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad.

### Fraud

In each case, GDPM will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims, see section below.

## **D. PROCEDURES FOR NON-CITIZENS** [24 CFR 5.514, 5.516, 5.518]

### **Denial or Termination due to Ineligible Immigrant Status**

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. GDPM must offer the family an opportunity for a hearing. (See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

### **False or Incomplete Information**

When GDPM has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, GDPM will give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

GDPM will then verify eligible status, deny, terminate, or prorate as applicable.

GDPM will deny or terminate assistance based on the submission of false information or misrepresentation.

### **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with GDPM either after the INS appeal or in lieu of the INS appeal.

After GDPM has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

**E. ZERO (\$0) ASSISTANCE TENANCIES** [24 CFR 982.455 (a)]

The family may remain in the unit at \$0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance will be terminated. If, within the 180 day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, GDPM will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

**F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION**  
[24 CFR 982.551, 982.552(c)]

If the family has misrepresented any facts that caused GDPM to overpay assistance, GDPM may choose not to terminate and may offer to continue assistance provided that the family executes a Repayment Agreement and makes payments in accordance with the agreement.

**G. MISREPRESENTATION IN COLLUSION WITH OWNER**  
[24 CFR 982.551, 982.552 (c)]

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, GDPM will deny or terminate assistance.

In making this determination, GDPM will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

**H. MISSED APPOINTMENTS AND DEADLINES** [24 CFR 982.551, 982.552 (c)]

It is a Family Obligation to supply information, documentation, and certification as needed for GDPM to fulfill its responsibilities. GDPM schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow GDPM to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying GDPM, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow GDPM to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

Eligibility for Admissions

Verification Procedures

Certificate/Voucher Issuance and Briefings

Housing Quality Standards and Inspections

Recertifications

Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

Medical emergency

Family emergency

**Procedure when Appointments are Missed or Information not Provided**

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing, the notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance.

## **Chapter 21**

### **MOVE OUT INSPECTIONS**

Move-out inspections are performed after the tenant has vacated the unit to determine if there are any tenant-caused damages that is a violation of family obligations.

The owner must request an inspection in writing within 48 hours of the move out and it must include an itemized list detailing the move-out charges remaining after deducting the security deposit. If this is not provided to GDPM in a timely manner the inspection will not be conducted. The owner must also supply the HCV Client with a copy of this itemized list.

The owner or the owner's representative will be required to attend the move-out inspection. The owner will be notified as to when the inspection will take place. GDPM will encourage the owner to notify the tenant of the inspection date. If the unit is found to have tenant-caused damages, the housing inspector will photograph the findings at the unit for file documentation.

If the results of the move out inspection provide documentation that the family caused damages to the unit over and above normal wear and tear that would not be covered by the security deposit paid to the owner, the family will be issued a proposed notice of termination. The family will have the right to request an informal hearing on the determination. If the family requests a hearing, the owner will be required to attend the hearing also. If the owner does not attend the termination will be overturned.

**Chapter 22**  
**OWNER CLAIMS**

As part of the HAP Contract, owners cannot make "special claims" for damages, unpaid rent, and vacancy loss after the tenant has vacated the unit.

If the family moves out of the unit, GDPM may not give the owner HAP for any month after the month when the family moves out. The owner may keep the HAP for the month the family moves out of the unit.

## Chapter 23

### COMPLAINTS AND APPEALS

#### **INTRODUCTION**

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of GDPM. This chapter describes the policies, procedures and standards to be used when families disagree with a GDPM decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of GDPM to ensure that all families have the benefit of all protections due to them under the law.

#### **A. COMPLAINTS TO GDPM**

GDPM will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. GDPM will request that complaints other than HQS violations be put in writing. Emergency HQS complaints may be reported by telephone. All other HQS complaints must be put in writing to GDPM, documenting that the family has tried to resolve the matter with the owner prior to contacting GDPM.

GDPM hearing procedures will be provided to families in the briefing packet.

#### **Categories of Complaints**

Complaints from families: If a family disagrees with an action or inaction of GDPM or owner, family will be referred as follows:

Eligibility complaints will be referred to the Admissions/Leasing Supervisor.

Rent reasonableness and leasing complaints will be referred to the Admissions/ Leasing Supervisor

Inspection complaints will be referred to the Supervisor, Inspectional Services

Recertification complaints or rent calculation complaints will be referred to the Recertification Supervisor.

If a complaint is not resolved, it will be referred to the Department Director or the Supervisor of Section 8 Administration.

Complaints from owners: If an owner disagrees with an action or inaction of GDPM or a family, complaints will be referred to the Assistant Manager, Section 8 Administration.

Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to the Department Director or the supervisor of Section 8 Administration.

Complaints from the general public: Complaints or referrals from persons in the community in regard to GDPM, a family or an owner will be referred as follows:

Eligibility complaints will be referred to the Admissions/Leasing Supervisor.

Rent reasonableness and leasing complaints will be referred to the Admissions/ Leasing Supervisor

Inspection complaints will be referred to the Supervisor, Inspectional Services

Recertification complaints or rent calculation complaints will be referred to the Recertification Supervisor.

If a complaint is not resolved, it will be referred to the Department Director.

If the complaint has been referred to HUD, Department Director would be the contact person with the HUD Field Office.

## **B. PREFERENCE DENIALS**

When GDPM denies a preference to an applicant, the family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with GDPM staff to discuss the reasons for the denial and to dispute GDPM's decision.

The person who conducts the meeting will be any officer or employee of GDPM except the person who made or approved the decision or a subordinate of those persons.

## **C. INFORMAL REVIEW PROCEDURES FOR APPLICANTS**

[24 CFR 982.54(d)(12), 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP contract. The exception is that when an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When GDPM determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

The reason(s) they are ineligible,

The procedure for requesting a review if the applicant does not agree with the decision and

The time limit for requesting a review.

When denying admission for criminal activity as shown by a criminal record, GDPM will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based.

GDPM must provide applicants with the opportunity for an informal review of decisions denying:

Listing on GDPM's waiting list

Issuance of a voucher

Participation in the program

Assistance under portability procedures

Informal reviews are not required for established policies and procedures and GDPM determinations such as:

Discretionary administrative determinations by GDPM

General policy issues or class grievances

A determination of the family unit size under GDPM subsidy standards

Refusal to extend or suspend a voucher

GDPM determination not to grant approval of the tenancy

Determination that unit is not in compliance with HQS

Determination that unit is not in accordance with HQS due to family size or composition

### **Procedure for Review**

A request for an informal review must be received in writing by the close of the business day, no later than ten working days from the date of GDPM's notification of denial of assistance. The informal review will be scheduled on the next available hearing date.

After the informal review date is scheduled the family may request to reschedule one time only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety and or welfare of the family. The rescheduled review will be within the same month as the original appointment.

The informal review shall be conducted by the Hearing Officer, appointed by GDPM, who is neither the person who made or approved the decision nor a subordinate of that person. GDPM appoints hearing officers who are GDPM management.

The applicant will be given the option of presenting oral or written objections to the decision. Both GDPM and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A notice of the review findings will be provided in writing to the applicant within 14 calendar 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 according to the PHA's record retention policy.

**D. INFORMAL HEARING PROCEDURES** [24 CFR 982.555(a-f), 982.54(d)(13)]

When GDPM makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. GDPM will give the family prompt notice of such determinations which will include:

The proposed action or decision of GDPM

The date the proposed action or decision will take place

The family's right to an explanation of the basis for GDPM's decision

The procedures for requesting a hearing if the family disputes the action or decision

The time limit for requesting the hearing

GDPM must provide participants with the opportunity for an explanation for decisions related to any of the following PHA determinations:

Determination of the family's annual or adjusted income and the computation of the housing assistance payment

Dayton Metropolitan Housing Authority  
Administrative Plan  
Board Approved 5.20.09

Appropriate utility allowance used from schedule

Family unit size determination under PHA subsidy standards

Determination to terminate assistance for any reason

Determination to terminate a family's FSS contract, withhold supportive services, or propose forfeiture of the family's escrow account

If the participant does not agree with the explanation they may request an informal hearing on the decision.

GDPM must provide participants with the opportunity for an informal hearing for a determination to terminate assistance:

Because of the family's failure to act.

Because the participant family has been absent from the assisted unit for longer than allowed.

Because of family caused breach of HQS.

Informal hearings are not required for established policies and procedures and PHA determinations such as:

Discretionary administrative determinations by GDPM

General policy issues or class grievances

Establishment of GDPM schedule of utility allowances for families in the program

GDPM determination not to approve an extension or suspension of a voucher term

GDPM determination not to approve a unit or lease

GDPM determination that an assisted unit is not in compliance with HQS (GDPM must provide hearing for family breach of HQS because that is a family obligation determination)

GDPM determination that the unit is not in accordance with HQS because of the family size

GDPM determination to exercise or not exercise any right or remedy against the owner under a HAP contract

## **Notification of Hearing**

It is GDPM's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, GDPM will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When GDPM receives a request for an informal hearing, a hearing shall be scheduled. The notification of hearing will contain:

The date and time of the hearing

The location where the hearing will be held

The family's right to bring evidence, witnesses, legal or other representation at the family's expense

The right to view any documents or evidence in the possession of GDPM upon which GDPM based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.

A notice to the family that GDPM will request a copy of any documents or evidence the family will use at the hearing.

## **GDPM's Hearing Procedures**

After a hearing date is scheduled, the family may request to reschedule one time only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety and or welfare of the family. The hearing will be rescheduled within the same month as the original appointment.

Families have the right to:

Present written or oral objections to GDPM's determination.

Examine the documents in the file which are the basis for GDPM's action, and all documents submitted to the Hearing Officer;

Copy any relevant documents at their expense;

Present any information or witnesses pertinent to the issue of the hearing;

Request that PHA staff be available or present at the hearing to answer questions pertinent to the case; and

Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, GDPM will make the copies for the family and assess a charge of 35 cents per page. In no case will the family be allowed to remove the file from GDPM's office.

In addition to other rights contained in this Chapter, GDPM has a right to:

Present evidence and any information pertinent to the issue of the hearing;

Be notified if the family intends to be represented by legal counsel, advocate, or another party;

Examine and copy any documents to be used by the family prior to the hearing;

Have its attorney present; and

Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the Hearing Officer appointed by GDPM who is neither the person who made or approved the decision, nor a subordinate of that person. GDPM appoints hearing officers who are GDPM management.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The family must request an audio recording of the hearing, if desired, two days prior to the hearing date.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the Hearing Officer, the action of GDPM shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction or decision of GDPM is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

Dayton Metropolitan Housing Authority  
Administrative Plan  
Board Approved 5.20.09

A notice of the hearing findings shall be provided in writing to GDPM and the family within 14 calendar days and shall include:

A clear summary of the decision and reasons for the decision;

If the decision involves money owed, the amount owed and documentation of the calculation of monies owed;

The date the decision goes into effect.

GDPM is not bound by hearing decisions:

Which concern matters in which GDPM is not required to provide an opportunity for a hearing

Which conflict with or contradict to HUD regulations or requirements;

Which conflict with or contradict Federal, State or local laws; or

Which exceed the authority of the person conducting the hearing.

GDPM shall send a letter to the participant if it determines GDPM is not bound by the Hearing Officer's determination within 14 calendar days. The letter shall include GDPM's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file for three years from the date of the hearing.

### **GDPM's Hearing Policy**

#### **Missed Appointments (Including HQS Inspections):**

If an applicant/participant missed their appointment due to being hospitalized or under a doctor's care they must provide documentation showing the time frame they were under the care that includes the date of the appointment that was missed.

If the applicant/participant missed their appointment due to problems with their mail delivery they must provide a document from the post office with a clear name and contact number to verify that they had a postal issue that was beyond their control.

If there was a death in the client's family or other family emergency, documentation will need to be provided from an outside source (such as a funeral notice).

If we do not have documented proof in the client's file that they were sent letters scheduling both missed appointments they will be scheduled for a final appointment.

Dayton Metropolitan Housing Authority  
Administrative Plan  
Board Approved 5.20.09

All clients that require documentation will be given 1 week from the date of the hearing to supply the documents. If they do not provide the documents in the time frame, the termination will be upheld with no further hearings on that issue being granted.

If the client is given a final opportunity for an appointment and misses that appointment, the termination will be upheld with no further hearings on that issue being granted.

**Repayment Agreements:**

A Client who is proposed for termination for not paying the balance due in order to sign a repayment agreement must provide proof at their hearing that the balance was paid. If the client cannot provide proof at that time an extension may be granted at the Hearing Officer's discretion for a period of no more than 60 days.

A client who is proposed for termination for not making their required monthly payments on a repayment agreement must provide proof at their hearing that their payments are current. An extension until close of business on the following work day may be granted.

If a client receives a repayment agreement due to the error of the PHA, the one-third down payment portion will be waived. The PHA may also, on a case-by-case basis, extend the 24-month repayment period. In order to avoid undue hardship on the family, this extended period must not exceed 48 months. The extended time will only be granted to a family if their repayment amount exceeds \$2,500.

**Unauthorized Person Living in Unit:**

The client will need to provide proof that the unauthorized person is not living in their unit. The preference for this proof would be a copy of the lease showing where the unauthorized person lives. We can also accept a letter from the unauthorized person's landlord stating they live in their unit providing it is signed by the landlord, has a phone number where we can contact the landlord, and we can verify through property records that this is the landlord on record for that unit.

**Failed to Provide Requested Documents:**

We will verify that we have requested the documents on two occasions. If we cannot verify that we have requested the documents twice the client will be given a final extension of 1 week from the date of the hearing to provide the documents.

If the client can provide a time stamped copy showing that they submitted the documents to us by the deadline date the termination will not be upheld.

**Criminal Activity:**

If the client can provide documentation from the police/courts showing no criminal charges were filed or the charges were dropped the client will be reinstated.

**Eviction:**

If a participant has a court awarded eviction the termination will be upheld unless:

- The client provides proof from the courts that the eviction was overturned
- Or if the family has a \$0 rent amount and the eviction was due to an abatement of the owner's HAP payment.

**Client Never Moved into Unit after Signed Lease:**

If the participant can provide documentation showing they could not move into the unit due to being hospitalized or under a doctor's care the termination will not be upheld.

**Voucher Expired:**

Hearings will not be granted for expired vouchers. In cases where the participant had to move due to abatement or foreclosure, the participant will be referred to the leasing department to receive a one-time 30 day extension.

**Failed to Submit RTA by Deadline:**

If an applicant/participant failed to submit their RTA by the deadline due to being hospitalized or under a doctor's care they must provide documentation showing the time frame that they were under the care.

If the client can provide a time stamped copy showing that they submitted the RTA to us by the deadline date the termination will not be upheld.

**Vacated Without Notice:**

If the participant can provide a time stamped copy of our 30 or 60 day notice to vacate paperwork showing they submitted these documents, the termination will not be upheld.

**Failed to Make Repairs for Family Caused HQS Breach:**

If an applicant/participant could not make the repairs due to being hospitalized or under a doctor's care they must provide documentation showing the time frame that they were under the care.

**Absent From Assisted Unit for Longer than Allowed**

If the participant provides proof that they notified GDPM that they would be out of the unit for that time frame and they are current on their rent, the termination will not be upheld.

If a client is scheduled for a hearing and can provide the documentation required to overturn the termination, and the client provides the appropriate required documentation to their caseworker at least one week prior to their hearing date, the caseworker can cancel the hearing and reinstate the client.

**E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"** [24 CFR Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while GDPM hearing is pending but assistance to an applicant may be delayed pending GDPM hearing.

**INS Determination of Ineligibility**

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, GDPM notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with GDPM either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give GDPM a copy of the appeal and proof of mailing or GDPM may proceed to deny or terminate. The time period to request an appeal may be extended by GDPM for good cause.

The request for GDPM hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members GDPM will:

Deny the applicant family

Defer termination if the family is a participant and qualifies for deferral

Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, GDPM will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

**F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES** [24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or GDPM is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

Examples of mitigating circumstances are: a) A person with a cognitive disorder may not have understood the requirement to report increases in income, b) A person may not understand the need to make regular repayments on a promissory note, c) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

**G. VIOLENCE AGAINST WOMEN ACT**

Any participant who requires a transfer under the Violence Against Women Act (VAWA) will be allowed to request to move by providing GDPM with the HUD approved certification form 50006.

GDPM will provide portability assistance to a family that has moved out of their assisted unit in violation of their lease under the Violence Against Women Act (VAWA). This act creates an exception to this prohibition for families that are otherwise in compliance with their obligations to the Section 8 Program but have moved out of their assisted unit in order to protect the health

Dayton Metropolitan Housing Authority  
Administrative Plan  
Board Approved 5.20.09

or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from future violence if he or she were to remain in the assisted dwelling unit.

## Chapter 24

### OWNER OR FAMILY DEBTS TO GDPM

[24 CFR 982.552]

#### **INTRODUCTION**

This chapter describes GDPM's policies for the recovery of monies that have been overpaid or debts owed from clients residing in GDPM housing or Northland Village. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is GDPM's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support GDPM's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to GDPM, GDPM will make every effort to collect it. GDPM will use a variety of collection tools to recover debts including, but not limited to:

Requests for lump sum payments

Payment agreements

Abatements

Reductions in HAP to owner

#### **A. REPAYMENT AGREEMENT FOR FAMILIES** [24 CFR 982.552 (c)(v-vii)]

A Repayment Agreement as used in this Plan is a document entered into between GDPM and the head and co-head of the household. 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 GDPM upon default of the agreement.

There are some circumstances in which GDPM will not enter into a repayment agreement. They are:

The family has ever entered into a Repayment Agreement with GDPM.

GDPM determines that the family committed program fraud.

The maximum amount for which GDPM will enter into a payment agreement with a family is \$2,500. If it is determined that the amount due exceeds \$2,500, the family will be notified of the overpayment and will be given ten (10) days business days from the date of the notification in which to pay the excess over \$2,500. If the family pays the excess amount, a Repayment Agreement can then be entered into. A client can only enter into one (1) Repayment Agreement during their lifetime.

### **Terms of the Agreement**

A payment is due on the first of each month but no later than the fifth of each month. If the fifth of the month is on a weekend or holiday, the due date will be at the close of the next business day. In the event that payment cannot be made by the fifth due to extenuating circumstances, a grace period will be given until the tenth of the month. In the event that payment is not received before the end of that grace period the client's participation in the Housing Choice Voucher Program may be terminated.

If the family's repayment agreement is in arrears, GDPM will issue a proposed notice of termination.

If the family requests to move to another unit and has a repayment agreement in place and the repayment agreement is not in arrears, the family will be permitted to move.

If the family has a repayment agreement and wants to utilize portability they must pay the balance of the agreement in full.

### **Repayment Schedule for Monies Owed to GDPM**

Should the family's income change during the course of the repayment agreement term, the monthly payment will not be altered or adjusted.

All repayment agreements require at least one-third (1/3) or a minimum of \$100 whichever is greater of the outstanding balance as a down payment. Minimum monthly payments shall not less than \$50.00 Maximum duration of any repayment agreement is twenty-four (24) months. If the amount outstanding is less than \$100.00 the full amount is payable immediately. It should be clearly understood that the installment of the repayment agreement plus the regular monthly rent payment is expected to be paid on time (i.e. by the fifth of each month)

If GDPM determines that the family committed program fraud, GDPM will not enter into a Repayment Agreement.

### **Guidelines for Repayment Agreements**

Repayment Agreements will be executed between GDPM and the head of the household.

Payments may only be made by money order or cashier's check.

If the tenant enters into a Repayment Agreement and breaches the agreement, the family will be issued a proposed notice of termination.

If the family refuses to enter into a Repayment Agreement, GDPM will terminate the HAP contract assistance payments after providing an opportunity for an Informal Hearing.

**B. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION** [24 CFR 982.163]

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements.

In determining whether the family violated their obligation to supply information, GDPM will consider whether the family supplied the information willfully and within what timeframe. If more than one recertification has been performed with the family before the information is reported, this will be determined to be willful misrepresentation.

If GDPM feels there was no willful intent to defraud, GDPM may enter into a Repayment Agreement for up to \$2,500 with the family.

**Family Error/Late Reporting**

Families who owe money to GDPM due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in this chapter.

**Program Fraud**

Families who owe money to GDPM due to program fraud will be required to repay the amount in full within 45 days of notification. If the full amount is paid within this time period, and the family is still eligible, GDPM will continue assistance to the family.

If a family owes an amount that equals or exceeds \$5,000 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, GDPM will refer the case for criminal prosecution.

**C. DEBTS DUE TO MINIMUM RENT TEMPORARY HARDSHIP**

If the family requests a personal hardship situation, he/she will have the right to appeal and be heard by a panel of GDPM staff to consider the exception

Should the family's income change during the course of the repayment agreement term, the monthly payment will not be altered or adjusted.

**D. OWNER DEBTS TO GDPM [24 CFR 982.453(b)]**

If GDPM determines that the owner has retained housing assistance or claim payments the owner is not entitled to, GDPM may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, GDPM will:

Request the owner to pay the amount in full within 30 days.

Restrict the owner from future participation until the balance is paid in full.

**E. WRITING OFF DEBTS**

Debts will be written off if the debtor is deceased.

**F. DEBT OWED BY APPLICANTS ON WAITING LIST**

If it is determined that an applicant on the Housing Choice Voucher waiting list owes a debt to GDPM from residing in GDPM housing or Northland Village the client will be required to pay the balance in full before they can be issued a Housing Choice Voucher.

Applicants who are found to owe a debt to GDPM will be sent a letter giving them one (1) year from the date of the letter to pay the balance in full or they will be removed from the Housing Choice Voucher wait list. If the applicant pays the debt within the year they will be placed back in active status on the wait list. Their placement on the list will be based on their date and time of application and any preferences for which the client qualifies. If the applicant does not pay the balance within the year, their application will be withdrawn from the waiting list.

If an applicant is already active in the Housing Choice Voucher program and a prior debt to GDPM is found, the client will be offered an opportunity to enter into a repayment agreement using the regulations described in Section A of this chapter.

## Chapter 25

### OWNER DISAPPROVAL AND RESTRICTION

[24 CFR 982.54, 982.306, 982.453]

#### **INTRODUCTION**

It is the policy of GDPM to recruit owners to participate in the voucher program. GDPM will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of GDPM. The regulations define when GDPM must disallow an owner participation in the program, and they provide GDPM discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

#### **A. DISAPPROVAL OF OWNER** [24 CFR 982.306, 982.54(d)(8)]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

GDPM will disapprove the owner for the following reasons:

HUD or other agency directly related has informed GDPM that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed GDPM that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.

HUD has informed GDPM that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. GDPM will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

In cases where the owner and tenant bear the same last name, GDPM may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.

The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.

The owner has engaged in drug-related criminal activity or any violent criminal activity.

The owner has a history or practice of renting units that fail to meet State or local housing codes. History or practice is defined as four or more consecutive failed inspections for the same unit.

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

Threatens the right to peaceful enjoyment of the premises by other residents;

Threatens the health or safety of other residents, of employees of GDPM, or of owner employees or other persons engaged in management of the housing.

Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or

Is drug-related criminal activity or violent criminal activity;

The owner has not paid State or local real estate taxes, fines or assessments.

## **B. OWNER RESTRICTIONS AND PENALTIES** [ 24 CFR 982.453]

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, GDPM will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. GDPM may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner GDPM will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

## **C. CHANGE IN OWNERSHIP**

A change in ownership does not require execution of a new contract and lease.

GDPM may approve the assignment of the HAP contract at the old owner's request. GDPM may approve the assignment, since they are a party to the contract. GDPM may deny approval of assignment of the contract, for any of the reasons listed in Section A. of this chapter.

GDPM will process a change of ownership if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owner.



## Chapter 26

### TRANSFER POLICY

There are certain categories of applicant/participant families who will not go on the waiting list, but will be offered a Voucher before an available Voucher is issued to the next family on GDPM's waiting list.

If GDPM has these situations, the applicant/participant family will be offered an available Voucher in this order:

1. A participant family who requires a change in Certificate or Voucher size and also is living in a unit which is now overcrowded according to Housing Quality Standards (applicable to both Certificates and Vouchers) or under-occupied (in the Certificate Program only) for its family size.
2. A participant family who requires a change in Certificate or Voucher size but is not living in a unit which is overcrowded (according to Housing Quality Standards) or under occupied or a participant family with a Voucher who requires a change in Voucher size and is living in a unit which is under occupied.
3. Any participant family who requires a transfer under the Violence against Woman Act (VAWA) will be allowed to request to move by providing the GDPM with the HUD approved certification form 50006.
4. GDPM will provide portability assistance to a family that has moved out of its assisted unit in violation of the lease under the Violence Against Woman Act (VAWA) creates an exception to this prohibition for families that are otherwise in compliance with their obligations under the Housing Choice Voucher Program but have moved out of their assisted unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by her from further violence if he or she remained in the assisted dwelling unit.
5. To ensure that individuals who are potentially displaced due to acquisition of property with financial assistance from the US Department of Housing and Urban Development have adequate housing choice; the Dayton Metropolitan Housing Authority may choose to offer displaced individuals a housing choice voucher. Under Chapter 3: Relocation Payments – Families and Individuals; 3-4(b)3 Agencies are encouraged to offer HCV to displaced tenants pursuant to Section 8 of the United States Housing Act of 1937, as amended, and to offer referrals to comparable replacement dwellings whose landlords are willing to participate in the HCV program. The client must meet all Housing Choice Voucher Program eligibility criteria in order to receive this voucher

6. Dayton Metropolitan Housing Authority may chose to offer vouchers to residents living in public housing that will be displaced by HUD approved demolition and or disposition activities requiring the relocation of residents as called for under Section 18 of the Housing Act of 1937 as amended by the Quality Housing and Work Responsibility Act of 1998. The client must meet all Housing Choice Voucher program eligibility criteria in order to receive this voucher and vouchers must be available.
7. US Department of HUD and Urban Development invites the housing authority to administer vouchers for families that have been affected by eminent domain. Dayton Metropolitan Housing Authority will provide assistance to these qualified families. The client must meet all Housing Choice Voucher Program eligibility criteria in order to receive this voucher.

## Chapter 27

### MONITORING PROGRAM PERFORMANCE

Monthly statistical reports are maintained and monitored for reviewing the waiting list, the outstanding Vouchers, and the utilization reports to assure achievement of the outreach goal and the leasing schedule.

Changes in approach are initiated on an as-needed basis, subject to program regulations and funding limitations.

GDPM will conduct supervisory quality control Housing Quality Standard inspections in the amount of 5% of the total number of approved inspections completed per month.

There will also be a random audit of the following number of tenant files to assure all program requirements have been met and processed properly:

applicants entering the program: 10 per quarter

recertifications completed: 40 per quarter

families currently receiving assistance who requested to move: 3 per quarter

leasings: 10 per quarter

terminations from the program: 8 per quarter

inspections scheduled: 5 new/moving families and 10 recertifications per quarter

special programs (SRO, PBC, family unification): 2 per quarter

#### **A. 50058 Submittal**

A HUD Form 50058 is to be completed for each family at the time of:

new admissions

interim redeterminations

portability move outs

annual recertification

portability move ins

end of participation

FSS participation

The forms must be submitted by the tenth of each month to the appropriate reporting site as directed by HUD.

## **B. RECORDS FOR MONITORING GDPM PERFORMANCE**

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

Records and reports will be maintained for the purpose of:

- Demonstrating that at least 98% of families were selected from the waiting list in accordance with the Admin Plan policies and met the correct selection criteria.
- Determining that at least 98% of randomly selected tenant files indicate that the HA approved reasonable rents to owner at the time of initial lease-up and before any increase in rent.
- Monitoring GDPM's practices for obtaining income information, proper calculation of allowances and deductions, and utility allowances used to determine adjusted income for families.
- Demonstrating that GDPM has analyzed utility rates locally to determine if there has been a change of 10% or more since the last time the utility schedule was revised.
- Determining that during the fiscal year GDPM performs supervisory HQS quality control inspections for at least 5% of all units under contract.
- Determining that a review of selected files indicate that for at least 98% of failed inspections, GDPM ensures timely correction of HQS deficiencies or abates HAPs or takes vigorous action to enforce family obligations.

- Demonstrating that GDPM provides families and owners information that actively promotes the deconcentration of assisted families in low-income neighborhoods.
- Demonstrating that Voucher payment standards are between 90-110% of the current FMR/exception rent limit unless otherwise approved by HUD.
- Demonstrating that 96-100% of reexams are processed on time.
- Demonstrating that less than 2% of all tenant files have rent calculation discrepancies.
- Demonstrating that 100% of newly leased units passed HQS inspections before HAP contract date.
- Demonstrating that GDPM performs annual HQS inspections on time for 100% of all units under contract.
- Demonstrating that GDPM leases 90 - 100% of budgeted units during the fiscal year.
- Determining that GDPM has filled 80 -100% of its FSS slots
- Demonstrating that at least 30% of GDPM's FSS participants have escrow account balances.

## Chapter 28

### MODERATE REHABILITATION PROGRAM

The Moderate Rehabilitation program has been under contract since 1982. The process required for costs estimates, rehabilitation, etc., will not be covered in this Administrative Plan since this process has already been completed and will not be required in the future.

#### **A. FAMILY PARTICIPATION**

The processes contained in the existing Section 8 Program Administrative Plan will be continued. The additional items required of the Moderate Rehabilitation Program are described below.

Families on the GDPM waiting list will be invited to apply with the owners of Moderate Rehabilitation units as the need arises.

Upon notification of an available unit, applicants on the waiting list will be questioned by GDPM as to their desire for such a unit. Referrals will be made to the owner in groups of three (3). No certificate holders will be referred to this program unless the family specifically requests referral after unsuccessful attempts to find a suitable existing Section 8 unit. If the referrals made to the owner do not result in a suitable family for the unit after 30 days from the date of referrals, the owner will have the opportunity to refer eligible families into our office. An owner cannot refer a family into our office for eligibility consideration that has been previously terminate from any housing assistance payments program due to noncompliance or the family's request. A moratorium of one year from the date of termination will be placed on families who fall into the above category.

All applications of persons with disabilities will be so identified and referrals made as requested from owners of modified units. The Section 8 Manager will be responsible for this action.

Eligible families who notify the owner of their desire to move within the terms of their lease will be referred to the next available Moderate Rehabilitation unit as if they were next on the waiting list.

Upon identification of an assisted family who is forced to move through no fault of their own, an interoffice memo will be sent to the GDPM Occupancy Manager informing their department that the family is to be offered the next available conventional unit as if they were next on the waiting list. Simultaneously, the family will be referred to the owner of any appropriate Moderate Rehabilitation unit that is available or about to become available. If the family is not adequately housed when the next appropriately sized existing Section 8 certificate or voucher becomes available, they will receive that certificate or voucher.

## **B. ADJUSTMENTS OF UTILITY ALLOWANCES AND RENTS**

The utility allowance schedule and adjustments described in this Administrative Plan will be utilized in this program.

Approving utility allowances will be implemented with the tenant's next annual reexamination following the approval.

## **C. MONITORING**

Maintenance and management complaints will be investigated by on-site inspections. Failure to take corrective action would be a violation of the contract and reason for termination.

GDPM will respond to violations of the HAP Contract by issuing and identifying the time limit for correction. Any requests for extensions will be reviewed by the Section 8 Manager. All violations must be corrected within a 60 day maximum time period. A reinspection will be conducted at that time and the violation will be corrected or the contract will be terminated.

Should this action take place, the family occupying the unit in violation will be issued a certificate with the funding that will be available from the terminated contract. The contract will be tracked by a special number at the end of the HAP Contract Number to identify that the family is participating under the Section 8 existing program with Moderate Rehabilitation funding. All regulations and procedures will be followed as if the family is a certificate holder in the existing Section 8 program.

## Chapter 29

### SINGLE ROOM OCCUPANCY PROGRAM

The Single Room Occupancy program has been under contract since 1994. The process required for costs estimates, rehabilitation, etc., will not be covered in this Administrative Plan since this process has already been completed and will not be required in the future.

GDPM will use a separate lease and housing assistance payment contract for each assisted person residing in a SRO unit. [24 CFR 982.603]

#### **SRO Rent and Housing Assistance Payment** [24 CFR 982.604]

##### Pre-merger Regular Certificate Program

The payment standard for SRO housing is 75 percent of the zero bedroom FMR.

##### Utility Allowance

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

#### **Housing Quality Standards**

GDPM will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605.

#### **A. FAMILY PARTICIPATION**

The processes contained in the existing Section 8 Program Administrative Plan will be continued. The additional items required of the Single Room Occupancy Program are described below.

Families on the GDPM waiting list will be invited to apply with the owners of Single Room Occupancy programs as the need arises.

Upon notification of an available unit, applicants on the waiting list will be questioned by GDPM as to their desire for such a unit. Referrals will be made to the owner in groups of three (3). No voucher holders will be referred to this program unless the family specifically requests referral after unsuccessful attempts to find a suitable existing Section 8 unit. If the referrals made to the owner do not result in a suitable family for the unit after 30 days from the date of referrals, the owner will

have the opportunity to refer eligible families into our office. An owner cannot refer a family into our office for eligibility consideration that has been previously terminate from any housing assistance payments program due to noncompliance or the family's request. A moratorium of one year from the date of termination will be placed on families who fall into the above category.

Upon identification of an assisted family who is forced to move through no fault of their own, an interoffice memo will be sent to the GDPM Occupancy Supervisor informing their department that the family is to be offered the next available conventional unit as if they were next on the waiting list. If the family is not adequately housed when the next appropriately sized existing Section 8 voucher becomes available, they will receive that voucher.

## **B. ADJUSTMENTS OF UTILITY ALLOWANCES AND RENTS**

The utility allowance schedule and adjustments described in this Administrative Plan will be utilized in this program.

Approving utility allowances will be implemented with the tenant's next annual reexamination following the approval.

## **C. REEXAMINATION OF FAMILY INCOME AND COMPOSITION**

GDPM must reexamine the income and composition of all families at least once every 12 months. After consultation with the family and upon verification of the information, GDPM will make appropriate adjustments in the total tenant payment and determine whether the family's unit size is still appropriate for the family. GDPM will adjust the tenant rent and the housing assistance payment to reflect any change in the total tenant payment.

The family must supply any information requested by GDPM or HUD concerning changes in income. If GDPM receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, GDPM will consult with the family and make any adjustments determined to be appropriate. Any change in the family's income or other circumstances that results in an adjustment in the total tenant payment, tenant rent, and housing assistance payments must be verified.

The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information with 24 CFR part 760 and 24 CFR part 813.

A family's eligibility for housing assistance payments shall continue until the total tenant payment equals the gross rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances during the term of the HAP contract.

However, eligibility also may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information.

#### **D. OVERCROWDED AND UNDEROCCUPIED UNITS**

If GDPM determines that a contract unit is not decent, safe, and sanitary because of an increase in family size that causes the unit to be overcrowded or that a contract unit is larger than appropriate for the size of the family in occupancy under GDPM's subsidy standards, housing assistance payments with respect to the unit may not be terminated for this reason. The owner, however, must offer the family a suitable alternative unit if one is available and the family shall be required to move. If the owner does not have available a suitable unit within the family's ability to pay the rent, GDPM (if it has sufficient funding) must offer Section 8 assistance to the family or otherwise assist the family in locating other standard housing in GDPM's jurisdiction within the family's ability to pay, and require the family to move to such a unit as soon as possible. The family must not be forced to move, nor shall housing assistance payments under the HAP contract be terminated for the reasons specified here, unless the family rejects, without good reason, the offer of a unit that GDPM judges to be acceptable.

#### **E. RENT ADJUSTMENTS**

Rent adjustments are subject to HUD guidelines with respect to rents changed for other subsidized or conventional housing units within GDPM's jurisdiction.

Request for annual increases must be submitted, in writing, to GDPM prior to the anniversary date of the contracted unit. Increases will be granted using the applicable Annual Adjustment Factors most recently published.

Contract rents are subject to post-audit change including the correction of errors in establishing the initial contract rent or in adjusting the contract rents.

Special rent adjustments may be made by GDPM, with HUD approval, in accordance with 24 CFR 882.715 (2) (2).

#### **F. LEASE TERMS**

The lease term must be for one year or the remaining term of the contract if the remaining term of the contract is less than one year.

After the first year of occupancy, a family may terminate the lease by providing the owner and GDPM at least a 30 day notice to vacate and no more than a 60 day notice to terminate. Notices to

terminate by the tenant are irrevocable unless mutually agreed that the notice be withdrawn, in writing, by the tenant and the owner. If such agreement are not submitted timely (at least 15 days prior to the terminate date), papers will be issued and processed as if a new tenant is to occupy the unit. The family will be responsible for the contract rent during the interim between the termination date and the date a new lease is executed and signed.

The owner may terminate a lease within the first year of occupancy with good cause (family malfeasance) through the eviction process.

The owner may offer the family a new lease with at least a 60 day written notification prior to the commencement date of the new lease. Sufficient time for a response from the tenant will be specified in the request. Failure of the family to respond or accept the new lease shall be grounds for "other good cause" termination of tenancy by the owner.

Through a written mutual agreement, the lease may be terminated. Such agreements must be submitted a minimum of 30 days prior to the date of termination. Such agreements relieve the tenant and GDPM from any obligation for unpaid rent or damages that may be found after the move out. No move out inspections will be performed on units where mutual termination agreements have been executed.

## **G. MONITORING**

Maintenance and management complaints will be investigated by on-site inspections. Failure to take corrective action would be a violation of the contract and reason for termination.

GDPM will respond to violations of the HAP Contract by issuing and identifying the time limit for correction. Any requests for extensions will be reviewed by the Section 8 Manager. All violations must be corrected within a 60 day maximum time period. A reinspection will be conducted at that time and the violation will be corrected or the contract will be terminated.

Should this action take place, the family occupying the unit in violation will be issued a voucher with the funding that will be available from the terminated contract. The contract will be tracked by a special number at the end of the HAP Contract Number to identify that the family is participating under the Section 8 existing program with Single Room Occupancy funding. All regulations and procedures will be followed as if the family is a voucher holder in the existing Section 8 program.

## Chapter 30

### PROJECT BASED CERTIFICATE PROGRAM

The project based certificate program has been under contract since 1994. The process required for costs estimates, rehabilitation, etc., is not covered in this Administrative Plan since this process has already been completed and will not be required in the future.

#### **A. REDUCTION OF NUMBER OF UNITS COVERED BY HAP CONTRACT**

Owners must lease all assisted units under HAP contract to eligible families. Leasing of vacant, assisted unit to ineligible tenants is a violation of the HAP contract and grounds for all available legal remedies, including suspension or debarment from HUD programs and reduction of the unit or units under the HAP contract. Once GDPM has determined that a violation exists, GDPM will notify the HUD field office of its determination and the suggested remedies. At the direction of the HUD field office, GDPM will take the appropriate action.

If, at any time beginning 180 calendar days after the effective date of the HAP contract, the owner fails for a period of 180 continuous calendar days to have the assisted units leased to families receiving housing assistance or to families who were eligible when the initially leased the unit but are no longer receiving housing assistance, GDPM may, on at least 30 calendar days notice, reduce the number of units to the number of units actually leased or available for leasing by eligible families plus 10 percent (rounded up). If the owner has only one unit under HAP contract and if one year has elapsed since the date of the last housing assistance payment, the HAP contract may be terminated with the consent of the owner.

GDPM will agree to an amendment of the HAP contract to provide for subsequent restoration of any reduction made if GDPM determines that the restoration is justified by demand, the owner otherwise has a record of compliance with obligations under the HAP contract, and contract authority is available.

#### **B. RESPONSIBILITIES OF GDPM**

GDPM will:

brief the family regarding their obligations under the project-based certificate program:

approve contract rent adjustments, and make rent reasonableness determinations for unit which are not Housing Authority owned;

inspect the units during the term of the HAP contract; and

ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

When a family is selected to occupy a project-based unit, GDPM will provide the family with information concerning the tenant rent and any applicable utility allowance and a copy of the HUD-prescribed lead-based paint brochure. The family must also, wither in a group or individual sessions, be provided with a full explanation of the following:

family and owner responsibilities under the lease and HAP contract;

information on Federal, State, and local equal opportunity laws;

the fact that the subsidy is tied to the unit, that the family must occupy a unit constructed or rehabilitated under the program, and that a family that moves from the unit does not have any right to continued assistance;

the likelihood of the family receiving a Housing Choice Voucher after the HAP contract expires;

the family's option under the program, if the family is required to move because of a change in family size or composition;

information on GDPM's procedures for conducting informal hearings for participants, including a description of the circumstances in which GDPM is required to provide the opportunity for an informal hearing, and of the procedures for requesting a hearing.

### **C. FILLING VACANCIES**

Upon notification of a vacancy, GDPM will refer to the owner appropriate-sized families from its waiting list. There will be at least three applicants referred to the owner for each vacant unit. Owners will in turn advise GDPM of the acceptance or denial of each applicant after conducting proper screening.

In the event that no applicants have been accepted after thirty days, the owner may make his own referrals to GDPM who will screen the owner's referral for program eligibility (24 CFR 882.753). An owner cannot refer a family into our office for eligibility consideration that has been previously terminated from any housing assistance payments program due to noncompliance or the family 's

request. A moratorium of one year from the date of termination will be placed on families who fall into the above category.

The owner is responsible for screening and selection of tenants. The owner must adopt written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families, and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.

The owner must promptly notify, in writing, any rejected applicant of the grounds for any rejection. If the owner rejects an application from the family who believes that the rejection was a result of unlawful discrimination, the family may request the assistance of GDPM In resolving the issue. The family may also file a discrimination complaint with the HUD field office or exercise other rights provided by law.

#### **D. TERMINATION OF PARTICIPATION**

Families may be terminated or withdrawn from the program when:

1. a preponderance of evidence exists involving the tenant, member of the household, or guests, in drug-related activities on or in the rental property; or if the tenant or members of the household have had such involvement in the larger community and evidence is presented to support termination action.
2. a preponderance of evidence exists involving the tenant, members of the household or guests, in violent criminal activity in or on the rental property; or where such evidence exists involving the tenant or members of the household in the larger community. Examples of violent crimes are but not limited to: child abuse or molestation, rape, assault with a deadly weapon, grand theft, theft by use of a deadly weapon, etc.
3. a family fails to meet its obligation under the terms of the Family Responsibility Statement.

#### **E. TERMINATION OF CONTRACT BY GDPM**

Termination of contract by GDPM may be attached when an owner does not maintain the housing unit(s) in accordance with GDPM's Housing Quality Standards (HQS). If, after a second inspection a unit fails, payments will be abated. The owner is then responsible for contacting GDPM for a final inspection within 15 working days. If the owner fails to reschedule a reinspection, or the unit fails for a third time, GDPM, at its discretion may provide the owner with a 30 day notice of termination for the failing unit. Should conditions mandate, such action may be instituted against more than one unit. If the owner has not complied prior to the established deadline, no further HAP

payments will be authorized for the failing unit(s). The Certificate/Voucher will be withdrawn from the project based program and reissued to the tenant who may seek other housing under the existing program unless GDPM has determined that it does not have sufficient funding for continued assistance for the family.

If the unit is not occupied by an assisted family at the time of contract termination, then the available funds under the ACC that were previously committed for support of the project-based assistance for the unit will be used for GDPM's certificate program.

#### **F. INSPECTIONS**

After the initial lease up, units must be maintained in accordance with GDPM's HQS. Should a unit fail to meet these standards, payments may be abated or the contract for that unit may be terminated.

#### **G. REEXAMINATION OF FAMILY INCOME AND COMPOSITION**

GDPM must reexamine the income and composition of all families at least once every 12 months. After consultation with the family and upon verification of the information, GDPM will make appropriate adjustments in the total tenant payment and determine whether the family's unit size is still appropriate for the family. GDPM will adjust the tenant rent and the housing assistance payment to reflect any change in the total tenant payment.

The family must supply any information requested by GDPM or HUD concerning changes in income. If GDPM receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, GDPM will consult with the family and make any adjustments determined to be appropriate. Any change in the family's income or other circumstances that results in an adjustment in the total tenant payment, tenant rent, and housing assistance payments must be verified.

The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information with 24 CFR part 760 and 24 CFR part 813.

A family's eligibility for housing assistance payments shall continue until the total tenant payment equals the gross rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances during the term of the HAP contract. However, eligibility also may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information.

## **H. OVERCROWDED AND UNDEROCCUPIED UNITS**

If GDPM determines that a contract unit is not decent, safe, and sanitary because of an increase in family size that causes the unit to be overcrowded or that a contract unit is larger than appropriate for the size of the family in occupancy under GDPM's subsidy standards, housing assistance payments with respect to the unit may not be terminated for this reason. The owner, however, must offer the family a suitable alternative unit if one is available and the family shall be required to move. If the owner does not have available a suitable unit within the family's ability to pay the rent, GDPM (if it has sufficient funding) must offer Section 8 assistance to the family or otherwise assist the family in locating other standard housing in GDPM's jurisdiction within the family's ability to pay, and require the family to move to such a unit as soon as possible. The family must not be forced to move, nor shall housing assistance payments under the HAP contract be terminated for the reasons specified here, unless the family rejects, without good reason, the offer of a unit that GDPM judges to be acceptable.

## **I. RENT ADJUSTMENTS**

Rent adjustments are subject to HUD guidelines with respect to rents changed for other subsidized or conventional housing units within GDPM's jurisdiction.

Request for annual increases must be submitted, in writing, to GDPM prior to the anniversary date of the contracted unit. Increases will be granted using the applicable Annual Adjustment Factors most recently published.

Contract rents are subject to post-audit change including the correction of errors in establishing the initial contract rent or in adjusting the contract rents.

Special rent adjustments may be made by GDPM, with HUD approval, in accordance with 24 CFR 882.715 (2) (2).

## **J. LEASE TERMS**

The lease term must be for one year or the remaining term of the contract if the remaining term of the contract is less than one year.

After the first year of occupancy, a family may terminate the lease by providing the owner and GDPM at least a 30 day notice to vacate and no more than a 60 day notice to terminate. Notices to terminate by the tenant are irrevocable unless mutually agreed that the notice be withdrawn, in writing, by the tenant and the owner. If such agreement are not submitted timely (at least 15 days prior to the terminate date), papers will be issued and processed as if a new tenant is to occupy the unit. The family will be responsible for the contract rent during the interim between the termination date and the date a new lease is executed and signed.

The owner may terminate a lease within the first year of occupancy with good cause (family malfeasance) through the eviction process.

The owner may offer the family a new lease with at least a 60 day written notification prior to the commencement date of the new lease. Sufficient time for a response from the tenant will be specified in the request. Failure of the family to respond or accept the new lease shall be grounds for "other good cause" termination of tenancy by the owner.

Through a written mutual agreement, the lease may be terminated. Such agreements must be submitted a minimum of 30 days prior to the date of termination. Such agreements relieve the tenant and GDPM from any obligation for unpaid rent or damages that may be found after the move out. No move out inspections will be performed on units where mutual termination agreements have been executed.

#### **K. PARTICIPATING FAMILIES**

Families participating in GDPM's PBC program will not be restricted from applying for and receiving those services provided under family oriented initiatives implemented such as Family Self Sufficiency . Any social services, job training, educational, counseling, etc., programs administered by GDPM will be offered to participants in the PBC program administered by GDPM, unless otherwise prohibited by HUD.

## **Chapter 31**

### **FAMILY UNIFICATION PROGRAM**

GDPM has been awarded Housing Vouchers to use in conjunction with the Family Unification Program. GDPM will work with the Montgomery County Children's Service (MCCS) department to provide affordable housing resources for very low income renters for whom the lack of adequate housing is a primary factor in having their children released from out-of-home care.

MCCS case reviewers review all cases which have been approved for reunification where reunification has not been achieved to determine whether the lack of housing is preventing implementation of the reunification plan. Eligible families will be all families whose children are at risk of placement and have inadequate housing or who are engaged in reunification activities for whom a case plan goal of adequate housing is identified.

MCCS case reviewers will be required to indicate if the family appears to have substantially met the other objectives of their case plan. Families who have substantially met the case plan and still need housing will be reviewed by MCCS Case Review Services. If the reviewer concurs with the staff assessment of reunification readiness, a meeting with the caseworker and reviewer will be held to determine whether the family is able to maintain adequate housekeeping standards. Upon agreement that the above criteria are met, the reviewer will certify the family eligibility and refer the case to GDPM for approval for Section 8.

Once a family has been referred to GDPM, all eligibility requirements will be reviewed as outlined in Chapter 4 of this Plan. Once determined eligible, a family will be required to attend a briefing session and will be issued a Housing Voucher.

MCCS currently has a staff person who is committed full-time to seeking housing for clients. This position is located within their In-Home Services Department. Currently, cases are prioritized so that any family who is homeless or about to become homeless, while the case is being served in their Intake Department, are the priority for intensive assistance. This person works closely with area homeless shelters so that service activity is not duplicated. In addition, on a weekly basis, available housing stock is updated and provided to supervisory staff so that caseworkers can also assist clients in their search for adequate, affordable housing.

Once a family has located a suitable unit, a Request for Approval of Tenancy will be submitted to GDPM. All policies and procedures outlined in Chapter 12 and 13 of this Plan will be followed.

MCCS has an additional support staff to assist clients with concrete resources: i.e., utilities, furnishings and appliances so that the family unity can be sustained or achieved.

If, during the course of the contract, a family should have their children placed in foster care, their family household will be reviewed. If it is determined that the children will not be reunified with

the head of household, they will be reissued a Housing Voucher appropriate to their new family size and will be removed from the family unification allocation.

## Chapter 32

### FAMILY SELF-SUFFICIENCY ACTION PLAN

#### A. **PURPOSE**

The purpose of the Family Self-Sufficiency Program (FSS) is to establish a partnership between public agencies, private corporations, and Dayton Metropolitan Housing Authority (GDPM). This collaborative makes every effort to sense, serve, and satisfy the needs and wants of low income families who are eligible for rental subsidy under Section 8 programs, by providing comprehensive supportive services. It is intended that these services will foster among the FSS participants self-sufficiency and economic independence that will position the family to break the cycle of dependency on public assistance and rental subsidy programs.

#### B. **NEEDS ASSESSMENT FOR THE FSS PROGRAM**

Currently there are approximately 3,506 Voucher households in GDPM's jurisdiction. The racial composition of our Section 8 programs is 15% white, 84% African-American, and 1% other. The problems of low-income families living in Montgomery County are varied:

- Many families lack the education, training, and skills to compete for employment. They lack resources to pay for transportation, clothing, and child care while seeking or holding a job.
- The lack of skills necessary to be competitive in the job market perpetuates the inability of families to earn sufficient income to break the cycle of dependency on public assistance and rental subsidy programs.

A variety of services including child care, after school care, career testing assessments, work place literacy and work readiness programs, and life skills training are needed so that individuals can live up to their potential, build greater self-esteem, and finally open the doors of opportunity. Individuals will require meaningful employment with options to advance, while providing subsistence and comprehensive health benefits.

The extensive need for services will require years of supportive services. GDPM estimates that 70 families will participate and receive services during the program's operation. This will, of course, depend on the availability and allocation of vouchers. The supportive agencies are prepared to provide services for the program participants.

#### C. **PROGRAM COORDINATING COMMITTEE (PCC)**

The role of the PCC is to secure commitments from public and private resources and to implement the program's action plan. The PCC met monthly beginning March 1994, until the program began running smoothly. As the program has matured, smaller working committees, particularly those which interface directly with the clients or the FSS Coordinator (see below, Staffing Implementation Schedule, VII) have been formed. The FSS Coordinator has the authority to call the PCC together on an as needed basis, when applicable, to meet more than or less than monthly according to the current goals and needs.

**D. EMPLOYMENT TRAINING AND EDUCATION**

As part of the PCC, the Legal Aid Society, Prestige Construction, Educational Opportunity Center, City Commission, Planned Parenthood, the City of Dayton, Family Service Association, OSU Extension, Montgomery County Human Services, Supportive Council of Preventative Effort (SCOPE), Miami Valley Career Technology Center, Combined Health District of Montgomery County, Miami Valley Child Development Center, Alcohol Drug Abuse and Mental Health Services (ADAMHS) and GDPM work closely with the FSS Program Coordinator to provide integrated employment training, education, and job referrals to FSS program participants.

**E. HOUSING**

Within the PCC, GDPM will be responsible for the administration of the housing assistance.

**F. COMMITMENT OF PRIVATE AND PUBLIC RESOURCES**

Various Montgomery County social service agencies, as well as private corporations, have indicated a willingness to provide services for participants in the FSS program as part of the PCC. In addition to the employment and housing services noted above in IV, the following are brief descriptions of other services to be provided by local agencies. The PCC will strive continuously to add more agencies and private resources to cooperate with the program as it progresses.

Child Care and Head Start: Department of Human Services, SCOPE, Miami Valley Child Development Center, Melissa Bess Day Care Center

Work Place Literacy and Work Readiness Program: Department of Human Services, Roosevelt Center, Project READ, Dayton Urban League

Completion of Secondary or Post Secondary Education: Sinclair Community College, Wright State University, University of Dayton, Wilberforce College, Central State

University, Miami Jacobs Junior College, ITT Technical Institute, Miami Valley Career Technology Center

Substance Abuse Treatment and Counseling and Crisis Management: ADAMHS (possible referrals to Day-Mont West, Inc., Good Samaritan Hospital, Project CURE, Eastway Mental Health Center )

Training in Life Management and Parenting Skills: Family Service Association, Dayton Board of Education Family Life Program, MCCA, Children Services Board, Artemis, OSU Extension, Womanline, St. Joseph's Treatment Center

Training in Money Management: Family Service Association, SCOPE, Dayton Board of Education Family Life Program, OSU Extension Master Money Management

Training in Household Management: Family Service Association, Children Services Board, Dayton Board of Education Family Life Program, SCOPE, OSU Extension

Opportunities for Homeownership: GDPM's New Visions to Homeownership in conjunction with St. Mary's Development Corp., City of Dayton, Builders Academy, HOPE programs

## **G. STAFFING & IMPLEMENTATION SCHEDULE**

GDPM's staffing plan includes two FSS Coordinators from its own administrative fees, who are initially responsible for program development and case management. This position was filled April 4, 1994. The FSS Coordinator reports to the Family Self-Sufficiency Supervisor.

## **H. FSS PARTICIPANT SELECTION**

### **Supportive Services**

Families to be selected to participate in this program must be current Section 8 Certificate or Voucher holders. The FSS participant must be willing to sign a Contract of Participation and require at least one basic supportive service.

Basic supportive services include, but are not limited to:

- work place literacy and work readiness programs
- education for completion of secondary or post secondary schooling
- job training, preparation, and counseling

- job development and placement
- substance abuse treatment and counseling
- training/assistance in money management
- training/assistance in household management, nutrition and parenting skills
- training/assistance in life management skills
- child care / Head Start
- transportation needs
- health care services
- case management
- any other services and resources appropriate to assist participants in achieving economic independence and self-sufficiency

### **Selection of Current Participants**

Section 8 residents will be informed of the FSS program through presentations at reexamination briefings. Each resident receives an FSS fact sheet that provides information about the FSS program and contact information. Interested residents may make contact with the FSS Coordinator to schedule an appointment and receive application and personal assessment.

### **Motivational Screening Factors**

1. Within the targeted and nontargeted selections, GDPM may use motivational screening factors to determine which families will be selected, and these factors can be tied to performance.
2. Failure to complete the specified tasks, or attend required appointments, for example, could result in the family not being selected to participate in the FSS program.
3. Acceptable motivational screening factors solely measure the family's interest and motivation to participation in the FSS program. These factors cannot be used to accept or deny a residents entrance into the program.

4. Motivational screening tasks must be:
  - Readily accomplishable by the family
  - Based on the family members' educational levels and any disabilities
5. Reasonable accommodations must be made for individuals with mobility, manual, sensory, speech impairments, mental or developmental disabilities.

### **Targeted Selections**

1. GDPM will give a selection preference to families who have one or more family members currently enrolled in or on the waiting list for an FSS-related service program (e.g. JOBS, JTPA, MCCA).
2. This selection preference is limited to 50% of the total FSS slots.

### **Nontargeted Selections**

1. GDPM will fill nontargeted FSS slots on a first-come first-serve basis by call-in or walk-in response after the information is provided at the Section 8 briefing.
2. Any family wanting to participate in this program that was skipped due to the unavailability of a support service, may be provided a nontargeted FSS slot selection preference when the missing service becomes available.

### **Waiting List Maintenance**

The Section 8 Voucher participants who express a desire to participate in the FSS program will be placed on a waiting list if the FSS Coordinator cannot accept them into the FSS program based on caseload.

### **Change in Family Composition**

GDPM will make any determination as to how the Contract of Participation will be handled if the family split up.

### **Exceptions to the Waiting List Order**

1. If after the determination of needs GDPM decided a primary service required by the family to achieve self-sufficiency is not available, the family shall be skipped

because of the unavailability of supportive services. If that service later becomes available, GDPM shall offer the family participation in the FSS program, all other requirements being met.

2. If there is an outstanding monetary obligation owed to GDPM, participation may be denied until the amount is paid back to the Housing Authority in full.
3. If a family has previously participated in FSS, GDPM may refuse to allow participation. However, these situations will be evaluated on an individual basis.

### **Nondiscrimination**

In selecting families for the FSS program, assurances will be confirmed that the selection was made in a nondiscriminatory manner without regard to race, color, religion, sex, family status, national origin, sexual orientation, or the condition of being blind, visually handicapped, physically handicapped, or mentally impaired. This will comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, and Executive Order 11063.

GDPM will not discriminate against otherwise qualified persons because of their disabilities. GDPM will make reasonable accommodations to the person's disability to allow participation in the FSS Program. GDPM may decide that an accommodation is not reasonable if it causes undue financial and/or administrative burdens.

If a family previously participated in the FSS program and did not meet its obligations and was terminated, the family may be denied future participation.

Families may be denied participation in the program if they owe money to GDPM or any other housing authority in connection with Section 8 or public housing assistance.

Furthermore, GDPM assures that a family's election to not participate in the FSS program will not affect the family's admission to the Section 8 program.

### **Outreach**

1. Applicants on the waiting list will receive a full briefing about FSS and its program requirements, when they receive a Section 8 Certificate or Voucher.
2. GDPM's goal is to encourage applicants from all eligible families. GDPM will continue to notify those residents who qualify for selection preference as well as other current residents through the following methods:
  - a. resident newspaper

- b. contact with all local service providers
  - c. contact with local minority agencies
  - d. flyers at government/service agencies throughout the County
  - e. contact at the time of annual reexamination appointments
  - f. contact at time of initial briefing
3. A family may be selected for participation in the FSS program whether or not family members are already employed. A goal of the FSS program is to help the underemployed obtain better jobs and become free of housing subsidies.

4. FSS participants may be selected from current tenants of project-based certificate units.

### **Briefing and Information Session**

The program's basic objective and goal is to help the participant to achieve self-sufficiency. It is recognized that permanent affordable housing is paramount to achieving this goal.

In order to assist the applicants with making their decision whether to participate in the FSS Program, they will receive information regarding the program during their Section 8 reexamination briefing.

This session will include, but is not limited to the following information:

- the needs assessment process
- explanation of the program requirement that the Head of Household seeks and maintains employment
- how supportive services will be accessed
- how case management works for the participant
- the Contract of Participation and what it means
- the Section 8 Voucher requirements
- the 5 to 7 year length of participation
- the escrow account, including possible forfeiture
- possible termination of supportive services
- possible termination of housing assistance

### **I. NEEDS ASSESSMENTS FOR THE PROGRAM PARTICIPANTS**

A comprehensive needs assessment will be filled out by each family prior to signing a Contract of Participation. This assessment will be evaluation by the FSS Coordinator/Case Manager and may include other family members.

An individualized Service and Training Plan will be developed which shall include:

- the family's goals both short-term and long-term

- the supportive services that the family requires to achieve its goals
- service providers with whom the family will be working
- a list of steps necessary to complete the family's training plan and the milestones of that plan
- the interim goal of all family members becoming free from public assistance for one year before the end of the Contract of Participation

The needs assessments will be reviewed, monitored, and tailored as necessary by the FSS Coordinator/Case Manager. Each Plan will be reviewed at least quarterly.

## **J. CASE MANAGEMENT**

Case management is a key factor for ensuring comprehensive supportive service delivery. Case management establishes a systematic, supportive, continuous process in which families are actively involved in planning the steps they can take to improve their self-sufficiency and in evaluating the results. Case management is not merely service brokering, but a problem-solving partnership among practitioners and clients. GDPM is contributing sufficient funds to retain an FSS Coordinator who will fulfill these objectives:

- Assist with briefing the applicants
- Provide information and referral services to program participants
- Assist in identifying and utilizing appropriate community resources
- Coordinate supportive services for participants with various Health and Human Services/Community Service agencies, and other private not for profit groups
- Monitor participant's progress in meeting goals
- Work with other agencies' case managers
- Provide program participant follow-up for at least one year after self-sufficiency is achieved
- Track program participants after they have moved from subsidized housing to compile a family profile database for outcome and impact measurements

## **K. CONTRACT OF PARTICIPATION**

The Contract is an agreement between GDPM and the participating family that states:

- the provisions of the program
- specifies the resources and appropriate supportive services necessary to assist the participating family in achieving economic independence and self-sufficiency, and
- the responsibilities and obligations of the participating family.

The contract shall assert that GDPM may terminate or withhold supportive services or terminate Section 8/Conventional assistance if the family fails to comply with the requirements of the contract.

The contract shall specify that each participating family will be required to fulfill the obligations within five years of entering into the contract. GDPM can extend the term of the contract for up to an additional two years for the participating family that requests an extension, if GDPM finds good cause exists for granting the extension. Good cause exists if the circumstances which prevented completion of the contract were beyond the control of the family, such as a serious illness or involuntary loss of employment.

The person designated as the Head of the participating family shall be required under the contract to seek and maintain suitable employment following completion of a job training program if required as a condition of the contract.

The Head of Household may attend school only as a pre-condition to seeking employment, but after completion of the course of study the Head of the Household must seek and maintain a suitable job. School may not be substituted for employment.

GDPM has the ultimate responsibility of determining if the Head of Household's employment is deemed "suitable" for FSS purposes. This decision must be made in conjunction with the Head of Household, and it must be based on the person's skills, education, and the available job opportunities within GDPM's jurisdiction. The overall objective should include employment that will propagate self-sufficiency. GDPM may delegate this responsibility to the FSS Coordinator/Case Manager based on recommendations from the PCC. If the Head of Household leaves the family or becomes medically unable to work during the term of the Contract of Participation, and the remaining family members continue participation in the rental Certificate or Voucher program, the contract of participation must be revised to designate a new Head of Household who must seek and maintain employment.

"Seek employment" means that the Head of Household provides documented proof that he/she is actively looking for a job, applying for work, going on job interviews, etc. If the FSS family does not seek and maintain employment as specified in the FSS contract of Participation or never finds employment during the contract's five year term, the family will not have met its obligations and GDPM may terminate the family's participation in the FSS Program.

The FSS Coordinator/Case Manager shall provide counseling for the participating family with respect to seeking, securing, and maintaining affordable rental (and, as appropriate,

homeownership) opportunities in the private housing market. This counseling shall include information on an individual's rights under the Fair Housing Act.

The Case Manager may continue to offer the FSS family supportive services if

- the family has completed its contract;
- the head of household becomes employed; or
- the continuation of supportive services would strengthen the efforts of the family to become or remain self-sufficient.

The services may continue at the discretion of GDPM as long as the family is receiving rental assistance for any of the housing programs.

The parties to the contract may mutually agree to make changes to the contract, terms of changes must be acceptable to all parties, and provided the changes are consistent with the goals of the program.

## **L. TERMINATION OF THE CONTRACT OF PARTICIPATION**

### **A. GDPM Termination of the Contract of Participation**

1. GDPM may terminate the Contract of Participation when the participating family has successfully completed the contract and achieved self-sufficiency.
2. The mutual consent of all parties has been attained; the mutual consent of all parties can include, but is not limited to the following situations:
  - a. the support services are not available
  - b. family moves to an area where no support services are available.
3. The participating family chooses to leave the FSS Program and forfeits its escrow account.
4. A participating family has failed to meet the FSS obligations.
5. The participating family member is involved in illegal activities including drug-related activities or violent criminal activities or allows a visitor or guest to engage in illegal activities.
6. The family fails to meet its obligations under the Section 8 or conventional program, including but not limited to:
  - a. failure to report income or changes in family composition

- b. failure to provide required forms
  - c. failure to allow inspections of dwelling unit
  - d. failure to provide requested information
- 7. If the participant has committed any fraud in connection with any federal housing assistance program.
- 8. If the participant has violated any obligation under the Section 8 Voucher or conventional programs.
- 9. If the participant has committed such other acts as is deemed inconsistent with the purpose of the FSS Program.
- B. If an FSS family feels they have been wrongfully terminated from the FSS program, a hearing can be conducted in compliance with GDPM's Grievance Procedures and Administrative Policy.
- C. A family who has been terminated from the FSS program may, at GDPM's discretion, be prohibited to participate in the FSS program again.

**M. RENT DETERMINATIONS**

During the term of the Contract of Participation, the income of the family that is used to calculate the family's rent shall be computed in accordance to 24 CFR Part 5, Subparts E and F, as appropriate.

Initially the participating family's rent shall be computed in accordance with the appropriate regulations.

The participating family must report all changes in income to GDPM in accordance with its Section 8 Voucher requirements.

The family's rent will be increased if there is an increase in the participant family's income in accordance with the procedures established in GDPM's Administrative Plan.

**N. ESCROW ACCOUNTS**

A participating family's earned income may increase during the term of the Contract of Participation. GDPM shall establish an interest-bearing escrow account for participating families whose adjusted income is less than 80% of median income. GDPM will credit to an escrow account a portion of the increase of rent that would otherwise result from increases in earned income during the Contract of Participation. The amount deposited into the escrow account varies depending on the income of the family and is only based on increases in earned income that occurs after the execution of the Contract of Participation. There is no

escrow credit for families who exceed 80% of median income.

GDPM will deposit the escrow funds calculated on HUD's Escrow Calculation Worksheet into depository account to be held for the family.

Disposition of the escrow accounts shall be as follows:

1. The full amount of the escrow account, in excess of any amount owed to GDPM, may be withdrawn by the participating family after the family certifies that it is no longer a recipient of any Federal, State, or other public assistance for living expenses for one full year.
2. Thirty percent of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on the Housing Authority's occupancy standards.
3. If GDPM determines that the family has completed certain interim goals established in the Contract of Participation and needs a portion of the FSS account for purposes consistent with the Contract, a portion of the account may be disbursed to assist the family to meet those expenses.
4. If the family fails to meet its obligations under its Contract of Participation, or fails to remain free from public assistance for one year before the completion of the Contract of Participation, it makes the contract invalid and the escrow account will be forfeited after all extensions of the contract have been exhausted.
5. The family terminates its participation in the Section 8 Program even though the Total Tenant Payment (TTP) is below the amount that is required to meet the unit's gross rent, below the Fair Market Rent (FMR) or Payment Standard, or otherwise appears to be insufficient to pay an unsubsidized rent as long as all the other terms of the Contract of Participation have been met; in such case the escrow money can be paid to the family.

GDPM can hold the escrow amount until the Contract of participation expires (or five years). However, if the additional time will not increase the family's ability to pay an unsubsidized rent, GDPM may terminate the contract and release the escrow funds.

Should participants fail to pay their portion of the rent to GDPM or their owner, or fails to pay an owed amount to GDPM, the amount owed may be subtracted from the escrow account yearly at the time that the interest is added to the account.

If the family is terminated from the FSS Program or fails to complete the Contract of Participation, the funds are returned to GDPM. These funds can be used for HUD-approved expenses. The FSS Program escrow funds will be treated as additional program receipts for payment of program expenses under GDPM's budget.

## **O. PORTABILITY OF ASSISTANCE/SECTION 8 ASSISTED HOUSING PROGRAM**

A family must live in Montgomery County for not less than one year before the family will be considered for a move under portability.

After one year a family can choose to continue to participate in the FSS Program but move to another jurisdiction with conditions:

1. The family may demonstrate to the satisfaction of GDPM that it will be able to fulfill its responsibilities under the original (or a modified) Contract of Participation in the receiving jurisdiction.
2. The family may participate in the FSS program of the receiving Housing Authority if the receiving Housing Authority allows the family to participate in its program.
3. If a participating family moves and is unable to fulfill its obligations under the Contract of Participation (or a modification thereof), GDPM will:
  - a. terminate the participating family from the FSS Program
  - b. terminate the participating family from the Section 8 Voucher Program
  - c. the family will forfeit its escrow account.

Based on the total number of transfers in a given year, GDPM expects to service three to four of those residents to participate in the FSS program.

4. All other provisions of portability remain the same under the FSS program.

Effects of escrow accounts for families who move to other jurisdictions are:

1. If a family moves and the receiving Housing Authority absorbs the family, the receiving Housing Authority sets up an escrow account and enters into a Contract of Participation. GDPM shall transfer the escrow account to the receiving Housing Authority.
2. If the family moves but can not transfer to another FSS program and GDPM determines the family can fulfill its obligations under the original (or modified) Contract of Participation in the new jurisdiction, GDPM will continue to execute the Contract of Participation and will maintain the Escrow account.

## **P. REPORTS**

GDPM shall submit to HUD an annual report in the form prescribed by HUD. This report shall include:

- A description of the activities of the program.

- Summation of the effectiveness of the program in assisting participating families in achieving economic independence and self-sufficiency.
- Summation of the effectiveness of the program in coordinating resources in the community.
- Recommendation by GDPM or the PCC for legislative or administrative action that would improve the program.

## Chapter 33

### SPECIAL HOUSING TYPES

[24 CFR 982.601]

#### **INTRODUCTION**

GDPM will permit the use of any special housing types in its program only if the applicant/participant can demonstrate that it is needed as a reasonable accommodation for a person with a disability. Acceptable demonstration will include documentation from one or more knowledgeable professionals who are familiar with the applicant/participant and or the type of special housing requested as accommodation.

GDPM will not set aside any program funding for special housing types, or for a special housing type. A family may choose whether to rent housing that qualifies as a special housing type or to rent other eligible housing in accordance with requirements of the program.

#### **Verification of Need for Reasonable Accommodation**

Acceptable documentation as verification of the need for reasonable accommodation would be a letter to GDPM describing how the special housing type requested provides the accommodation of which the person is in need. The request and documentation will be reviewed by the Housing Supervisor, Assistant Manager and Manager, Section 8 Administration. A written response stating approval or disapproval will be sent to the applicant/participant within 14 calendar days of receipt of the request.

A copy of GDPM's response with supporting documentation will be maintained in the applicant/participant's file. The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M - Special Housing Types.

#### **A. CONGREGATE HOUSING** [24 CFR 982.606]

An elderly person or a person with disabilities may reside in a congregate housing unit.

GDPM may approve a family member or live-in aide to reside with the elderly person or person with disabilities.

GDPM 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.

#### **Congregate Housing Lease and HAP Contract** [24 CFR 982.607]

For congregate housing there will be a separate lease and HAP contract for each assisted family.

Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on GDPM payment standard schedule.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

### **Housing Quality Standards**

GDPM 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.

### **B. 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.

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by GDPM, a live-in aide may reside with a person with disabilities.

GDPM 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. Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities.

GDPM will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

### **Group Home Lease and HAP Contract** [24 CFR 982.611]

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in Aide.

### **Group Home Rent and HAP Contract** [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 982.503. In determining reasonable rent GDPM will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private.

### **Maximum Subsidy**

Unless there is a live-in aide, the family unit size is **[zero/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 GDPM 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**

GDPM 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.

## **C. 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.

GDPM may approve a live-in aide to reside with a family in order to care for a person with a disability. GDPM 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.

A resident owner may enter into a HAP contract with GDPM. However, housing assistance may not be paid on behalf of an owner. GDPM will not approve assistance for a person or family that is related by blood or marriage to a resident owner.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

### **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.

The rent to owner to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in the "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

### **Maximum Subsidy**

For a family that resides in a shared housing unit the payment standard is the lower of the payment standard amount on GDPM payment standard schedule for the family unit size or the pro-rata portion of the payment standard amount on GDPM payment standard for the shared housing unit size.

If GDPM approves a live-in aide, the live-in aide will be counted in determining the family unit size.

### **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.

### **Housing Quality Standards**

GDPM 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.

## **D. COOPERATIVE HOUSING** [24 CFR 982.619]

GDPM 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 GDPM will not approve assistance for a family in cooperative housing until GDPM has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with "Owner Rents, Rent Reasonableness, and Payment Standards" chapter. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperatives 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 as determined in "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 limitations on rent to owner. The housing assistance payment will be determined in accordance with the guidelines in "Owner Rents, Rent Reasonableness, and Payment Standards" chapter.

GDPM may approve a live-in aide to reside with the family to care for a person with disabilities.

GDPM 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 GDPM approves a live-in aide, the live-in aide will be counted when determining the family unit size.

### **Housing Quality Standards**

GDPM 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.

### **E. MANUFACTURED HOMES** [24 CFR 982.620]

GDPM will permit a family to lease a manufactured home and space with assistance under the program. GDPM will provide assistance for a family that owns the manufactured home and leases only the space.

GDPM may approve a live-in aide to reside with a family to care for a person with disabilities. GDPM will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If GDPM approves a live-in aide, the live-in aide must be counted when determining the family unit size.

### **Housing Quality Standards** [24 CFR 982.621]

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. In addition the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

### **Manufactured Home Space Rental** [24 CFR 982.622]

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease 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 the manufactured home space may not exceed a reasonable rent as determined by GDPM.

GDPM will not approve a lease for a manufactured home space until GDPM has determined that the

initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, GDPM will redetermine that the rent is reasonable.

GDPM will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. GDPM will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from GDPM, 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 GDPM, the owner must provide GDPM information on rents for other manufactured home space.

### **Housing Assistance Payments for Manufactured Home Space** [24 CFR 982.623]

#### **HAP for the Voucher Tenancy**

There is a separate FMR for a family renting a manufactured home space. The payment standard is used to calculate the monthly housing assistance payment for a family. The FMR for rental of a manufactured home space is generally 40 percent of the published FMR for a two-bedroom unit.

#### **Subsidy Calculation for the Voucher Program**

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 rent paid 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 GDPM:

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]

GDPM 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 that 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.

## Chapter 34

### HOMEOWNERSHIP ASSISTANCE PROGRAM [24 CFR 982.625]

The Dayton Metropolitan Housing Authority (GDPM) hereby establishes a Section 8 tenant-based Housing Choice Voucher Homeownership option in Dayton, Ohio, pursuant to the U.S. Department of Housing and Urban Development's (HUD) final rule dated October 12, 2000 and by Section 555 of the Quality Housing and Work Responsibility Act of 1998 under Section 8(y), Homeownership Option.

#### **Participant Qualification** **24 CFR 982.626, 982.627**

Any Section 8 eligible applicant or program participant who has been issued a Section 8 Housing Choice Voucher may utilize the subsidy to purchase rather than rent a home, subject to the following:

- 1) A family must meet the requirements for admission to or continued participation in the GDPM tenant-based program.
- 2) The homeownership option will be included in all Briefing and Recertification classes as well as media and community announcements. Current Section 8 participants must be in compliance with their lease and program requirements and must terminate their current lease arrangement in compliance with the lease.
- 3) The head of household or co-head that has previously defaulted on a mortgage obtained through the homeownership option is barred from participation.
- 4) Participant families must be "first-time" homeowners, where a family member must not have owned title to a principal residence in the last three years. Residents of limited equity cooperatives are eligible for the homeownership option. (Title to a mobile home is not considered as homeownership for purposes of this option.)
- 5) Participants in the Section 8 homeownership option must enroll in a GDPM approved pre and post-purchase homeownership training and counseling services and be deemed to be "mortgage ready" before the housing choice voucher can be utilized toward homeownership. At a minimum, the program will cover the following:
  - Home maintenance
  - Budgeting and money management
  - Credit Counseling

- Negotiating the purchase price
  - Financing / Refinancing / Predatory Lending Practices
  - Locating the home
  - De-Concentration issues
  - Family must purchase only a home that passes HQS inspection
- 6) The head of household or co-head must be employed full-time and have been continuously so employed during the year before commencement of homeownership assistance. Families in which the head of household or co-head are disable or elderly are exempted from this requirement. Families with a disabled household member may request an exemption as a reasonable accommodation.
- 7) The family's income must be equal to or exceed two times the payment standard for the family's unit size. Public assistance income may not be used for meeting this requirement, except for households in which the head or co-head is elderly or disabled and households that include a disabled person other than head or co-head. (Public Assistance includes federal housing assistance or the housing component of a welfare grant; OWF assistance; SSI that is subject to an income eligibility test; food stamps; general assistance or other assistance provided under a Federal, state or local program that provides assistance available to meet family living or housing expenses.)
- 8) Applicants must enroll in the Family Self-Sufficiency Program. Applicants for the homeownership option must be a Section 8 tenant for a minimum of one year. Funds accumulated in the escrow account may be advanced for purchase of the home or home maintenance, subject to the guidelines of the FSS Program.

**Portability**  
**24 CFR 982.636**

Families that are determined eligible for homeownership assistance may exercise the homeownership option outside of GDPM's jurisdiction if the receiving public housing authority is administering a Section 8(y) homeownership program and is accepting new families into its Section 8(y) homeownership program.

**Contract for Sale Inspection**  
**24 CFR 982.631**

Participants in the homeownership option program must initially complete a Purchase Agreement with the owner of the property to be purchased.

The Purchase Agreement must include the home's price and terms of sale, the GDPM pre-purchase HQS inspection requirements, and an agreement that the purchaser is not obligated to pay for any necessary repairs.

The participant must obtain an independent professional home inspection of the unit's major systems at the participant's expense. An ASHI member, candidate with logo privileges, or a NAHI regular member must conduct the independent inspection. (Ohio HB 345 may require all inspectors to be certified by a regulated licensing board.) In all cases, the inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems.

GDPM will conduct a Housing Quality Standards (HQS) inspection and will review an independent professional inspection of the unit's major systems. GDPM retains the right to disqualify the unit for inclusion in the homeownership program based on either the HQS inspection or the professional inspection report.

### **Financing** **24 CFR 982.632**

The household is solely responsible for obtaining financing. All loans must meet FHA mortgage insurance credit underwriting requirements. GDPM will review lender qualifications, loan terms, or other debt to determine that the debt is affordable.

GDPM establishes a minimum homeowner down payment requirement of at least 3 percent of the purchase price for participation in its Section 8(y) homeownership program, and requires that at least one percent of the amount financed is paid from the family's personal resources.

There is no prohibition against using local or State Community Development Block Grant (CDBG) or other subsidized financing in conjunction with the homeownership program.

With the exception of approved non-profit organizations, GDPM prohibits owner financing.

In the event of appeal, GDPM's Section 8 department will appoint a review panel.

### **Length and Continuation of Assistance** **24 CFR 982.634**

Section 8 assistance will only be provided for the months the family is in residence in the home. The maximum length of time a family may receive homeownership assistance is fifteen years if the initial mortgage incurred is 20 years or longer. In all other cases, the maximum length of time is ten years. Elderly and disabled families are exempt from this time limit.

**Family Obligations**  
**24 CFR 982.633**

In addition to completing the Pre-Counseling program, the family must complete a contract of homeowner obligations prior to utilizing the Housing Choice Voucher for homeownership.

- 1) The family must comply with the terms of any mortgage securing debt incurred to purchase the home and any refinancing of such debt.
- 2) At any time the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.
- 3) A home equity loan may not be acquired without the prior written consent of GDPM.
- 4) The family must provide required information regarding income and family composition in order to calculate correctly total tenant payment and homeownership assistance, consistent with Section 8 requirements.
- 5) While receiving homeownership assistance, the family must notify GDPM if the family defaults on a mortgage securing any debt incurred to purchase the home.
- 6) While receiving homeownership assistance, the family must notify GDPM before the family moves out of the home.
- 7) The family must, at annual re-certification, document that he or she is current on mortgage, insurance, utility payments, and taxes.
- 8) The family is prohibited from moving more than one time in a one-year period. The family may be required to participate in pre or post-counseling prior to re-housing.

**Assistance Payment**  
**24 CFR 982.635**

The family's Section 8 monthly housing assistance payment will be the lower of (1) the Section 8 voucher payment standard minus the Total Tenant Payment or (2) the monthly homeowner expenses minus the Total Tenant Payment.



## **Default**

If the family defaults on the home mortgage loan, the participant will not be able to use the Homeownership Voucher for rental housing but may reapply for the Section 8 waiting list.

## **Denial or Termination of Assistance 24 CFR 982.638**

GDPM reserves the right to deny or terminate assistance for the family, and will deny voucher rental assistance for the family, in accordance with HUD regulations governing any failure to comply with family obligations, mortgage default, or failure to demonstrate that the family has conveyed title to the home as required, or if the family has moved from the home within the period established or approved.

## **Informal Hearings 24 CFR 982.555**

GDPM will provide the opportunity, for an informal hearing to program participants who are being terminated from the program because of the family's action failure to act. GDPM will send written notice as to the reason(s) for the proposed action informing the participant that they may request an informal hearing, in writing, within 10 days of the notice. If the participant requests a hearing, the assistance will not be terminated until the final decision is made.

When a participant requests a hearing, GDPM will schedule the hearing within 5 days of receiving the hearing request and notify the participant of the date and time of the hearing. Prior to the hearing the participant will be given an opportunity to examine and copy the documents pertinent to the family's termination. GDPM must be given the same opportunity to examine any family documents that are directly related to the hearing, and to copy them at its own expense.

A hearing officer designated by the GDPM Section 8 Department will conduct the hearing. This person will be someone other than the person who may have approved the decision or subordinate of this person. A lawyer or other representative, at the families' own expense may represent the family. The family will be given the opportunity to present evidence, and to question any witnesses. The hearing officer will issue a written decision within 7 days, stating the reasons for the decision.

## **Chapter 35**

### **OPERATING RESERVES AND PRO-RATION OF ADMINISTRATIVE EXPENSES**

GDPM's Board of Commissioners will approve any and all expenditures from the Section 8 Operating Reserve Account. The Board of Commissioners will make an affirmative determination that the expenditures are necessary and reasonable for housing purposes consistent with State and local law.

GDPM proration policy between the Low Income Housing Program and the Section 8 Program will be a time-cost basis for administrative salaries. Time studies will be completed each year to determine if there are any changes to the percentage of time spent on each program.

A two-month period should be representative of the full year work responsibilities for allocation purposes. A direct charge for Section 8 personnel salaries, supplies and services will be made to the Section 8 program. Proration by the number of units in the Section 8 Program will be made by computer on designated invoices for supplies and services.

## **Chapter 36**

### **PROGRAM INTEGRITY**

[24 CFR 792.101 to 792.204, 982.54]

#### **INTRODUCTION**

The U.S. Department of Housing and Urban Development (HUD) conservatively estimates that 600 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families either are totally ineligible or are receiving benefits that exceed their legal entitlement.

GDPM is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained.

GDPM will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines the GDPM's policies for the prevention, detection, and investigation of program abuse and fraud.

## **A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will GDPM undertake an inquiry or an audit of a participating family arbitrarily. GDPM's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. GDPM staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, GDPM has a responsibility to HUD, the community, and eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to GDPM's attention, to investigate such claims.

GDPM will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

**Referrals, Complaints, or Tips.** GDPM will only follow up on referrals received by mail, e-mail, fax or in person from other agencies, companies or persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

**Internal File Review.** A follow-up will be made if GDPM staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review) information or facts that conflict with previous file data, GDPM knowledge of the family, or statements made by the family.

**Verification of Documentation.** A follow-up will be made if GDPM receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from other agencies).

## **B. STEPS GDPM WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD**

GDPM management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

**Things You Should Know (HUD-1140-OIG).** This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify GDPM's expectations for cooperation and compliance.

**Program Orientation Session.** Mandatory orientation sessions will be conducted by GDPM staff for all prospective program participants, 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 program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

**Resident Counseling.** GDPM will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

**Review and Explanation of Forms.** GDPM Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

**Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

**Participant Certification.** All family representatives will be required to sign a participant certification form, and show picture identification at all recertification and leasing signing appointments.

### **C. STEPS GDPM WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

GDPM staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted families.

**Quality Control File Reviews.** Prior to initial certification and at the completion of all subsequent recertification, 100% of files will be reviewed.

- Verification of all income and deductions
- Changes in reported Social Security numbers or dates of birth
- Authenticity of file documents
- Ratio between reported income and expenditures
- Consistency of signatures with previously signed file documents
- Dates and signatures on all documents
- EIV/UIV reports

**Observation.** GDPM management and Section 8 staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

**\* Observations will be documented in the family's file.**

**Public Record Bulletins.** These bulletins may be reviewed by GDPM management and staff.

**HUD EIV/UIV Verification System.** Inquiries to Employers and state and local government agencies

- At the time of final eligibility determination

- When an allegation is received by the PHA wherein unreported income sources are disclosed

- When a participant's expenditures exceed his/her reported income and no plausible explanation is given

#### **D. GDPM'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

GDPM staff will encourage all participating families to report suspected abuse to GDPM Management, and Staff. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up. GDPM will not follow up on allegations that are vague or otherwise nonspecific. They will only review allegations that contain one or more independently verifiable facts.

**File Review.** An internal file review will be conducted to determine whether the subject of the allegation is a client of GDPM and, if so, whether or not the information reported has been previously disclosed by the family.

GDPM will then determine whether it is most appropriate to do a follow-up. Any file documentation of past behavior as well as corroborating complaints will be evaluated.

**Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable, GDPM Management Staff will initiate an investigation to determine if the allegation is true or false.

#### **E. OVERPAYMENTS TO OWNERS**

If a landlord has been overpaid as a result of fraud, misrepresentation, or violation of the HAP contract, the GDPM will terminate the contract and arrange for restitution to the PHA. GDPM will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner will be debited in order to repay GDPM, as applicable. If future housing assistance payments are insufficient to reclaim the amounts owed, GDPM will request the owner to pay the amount in full within 30 days if payment is not received GDPM will forward the account to a collection agency. All debts over \$5000.00 will be turned over to the Office of Inspector General.

GDPM will Restrict the owner from future participation until the balance is paid in full

## **F. GDPM WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If GDPM determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file or a person designated by the executive director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, GDPM will secure the written authorization from the program participant for the release of information.

**EIV/UIV** In cases involving previously unreported income sources, inquiries will be made to determine whether the financial activity of a family conflicts with the family's reported income.

**Employers and Ex-Employers.** Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.

**Neighbors/Witnesses.** Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to the GDPM's review may be interviewed.

**Other Agencies.** Investigators, caseworkers or representatives of other benefit agencies may be contacted.

**Public Records.** GDPM will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

**Interviews with Head of Household or Family Members.** GDPM will discuss the allegation with the head of household or family members by scheduling an appointment at the appropriate GDPM office. A high standard of courtesy and professionalism will be maintained by the GDPM staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

## **G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY GDPM**

Documents and other evidence obtained by the GDPM during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among GDPM staff that are involved in the process or have information that may assist in the investigation.

## **H. CONCLUSION OF GDPM'S INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, the reviewer will report the findings to the executive director or designee. It will then be determined whether the facts are inconclusive and, if so, whether a violation has or has not occurred.

## **I. EVALUATION OF THE FINDINGS**

If it is determined that a program violation has occurred, GDPM will review the facts to determine:

What type of violation has occurred (procedural noncompliance or fraud)

Whether the violation was intentional or unintentional

What amount of money (if any) is owed by the family

Whether the family is eligible for continued participation in the Section 8 program

## **J. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED**

Once a program violation has been documented, GDPM will propose the most appropriate remedy based upon the type and severity of the violation.

- 1. Procedural Noncompliance.** This category applies when the family "fails to" observe a procedure or requirement of GDPM but does not misrepresent a material fact and there are no retroactive assistance payments owed by the family.

Examples of noncompliance violations are:

Failure to appear at a prescheduled appointment

Failure to return verification in the time period specified by GDPM

- (a) Proposed termination.** In such cases a notice containing the following will be sent to the family:

A description of the noncompliance and the procedure, policy, or obligation that was violated

The date by which the violation must be corrected or the procedure complied with

The action that will be taken by GDPM if the procedure or obligation is not complied with by the date specified by GDPM

The consequences of repeated (similar) violations

- 2. Procedural Noncompliance - Overpaid Assistance.** When the family owes money to GDPM for failure to report changes in income or assets, GDPM will issue a notice of overpayment of assistance. This notice will contain the following:

A description of the violation and the date(s)

The amount owed to the PHA

The number of days within which a response must be received

Acknowledgment of the family's right to disagree and to request an informal hearing along with instructions for requesting such a hearing

- (a) Participant Fails to Comply with GDPM's Notice. If the Participant fails to comply with GDPM's notice and a family obligation has been violated, GDPM will initiate termination of assistance.
- (b) Participant Complies with GDPM's Notice. When a family complies with the GDPM's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person will complete a participant counseling report, within 5 days and mail a copy to the family, and retain a copy in the family's file.

**3. Intentional Misrepresentations.** When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by GDPM.

GDPM will evaluate whether or not:

The participant had knowledge that his/her actions were wrong

The participant willfully violated the family obligations or the law

Knowledge. This will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing.

Willful Intent. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (a) An admission by the participant of the misrepresentation
- (b) Repetition of the misrepresentation
- (c) Use of a false name or Social Security number
- (d) Admissions of the illegal action or omission by the participant to others
- (e) Omission of material facts known to the participant (e.g., employment of the participant or other household member)
- (f) Falsification, forgery or altering of documents
- (g) Uttering and certifying to statements at an interim (re)determination that are later independently verified to be false

**4. Dispositions of Cases Involving Misrepresentations.** In all cases of misrepresentations involving efforts to recover monies owed, GDPM will pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

(a) Criminal Prosecution. GDPM will prosecute for criminal intent if these cases meet the criteria for prosecution, GDPM will refer the case to the local state or district attorney, notify HUD's regional inspector general for investigation (RIGI), and terminate rental assistance.

(b) Administrative Remedies. GDPM may:

Terminate assistance and demand restitution in full

Terminate assistance and execute an administrative repayment agreement in accordance with the GDPM's repayment policy

Terminate assistance and pursue restitution through civil litigation

Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with GDPM's repayment policy

**5. Conference for Serious Violations and Misrepresentations.** When GDPM has established that a material misrepresentation has occurred, a conference will be scheduled with the family representative and GDPM staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by GDPM. The purpose of such a conference is to review the information and evidence obtained by GDPM with the participant and to give the participant an opportunity to explain any document findings that conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by GDPM. The family will be given the opportunity to furnish any mitigating evidence at the conference.

A secondary purpose of the conference is to assist GDPM in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, GDPM will consider:

The duration of the violation

The number of false statements

The family's ability to understand the rules

The family's willingness to cooperate and to accept responsibility for the family's actions

The amount of money involved

The family's history

The presence or absence of criminal intent

6. **Notification to Participant of Proposed Action.** GDPM will notify the family in writing of the proposed action no later than 5 days after the case conference by mail.



**Chapter 37**  
**CONFIDENTIAL AND INFORMATION SECURITY**

Applicants and participants are required to sign the HUD Form 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD and GDPM will release family information.

As specified in the HUD Form 9886 GDPM may disclose information for certain routine uses such as to other governmental agencies for law enforcement purposes, to federal agencies for employment suitability and to housing authorities for the purpose of determining housing assistance.

Applicant and participant records may be disclosed:

- pursuant to a written request signed by all individuals to whom the records pertain.
- pursuant to a lawfully issued subpoena or court order or as otherwise required by law.

All applicant or tenant records will be stored in a confidential manner and will be made available to GDPM employees or authorized persons upon a need to know basis.

## CHAPTER 38

### PROJECT BASED VOUCHER PROGRAM

#### **A. PURPOSE**

GDPM's project based voucher program is established to provide safe and affordable housing opportunities for elderly, disabled, homeless individuals and/or severely economically disadvantaged families. Persons who are elderly and/or have disabilities or who are economically disadvantaged must be offered supportive services as a condition of occupancy. Supportive housing services include but are not necessarily limited to:

- a private apartment;
- a service coordinator to help residents arrange for services
- access to support services 24 hours a day, as needed; or
- case management and support services
- personal care services;
- housekeeping and laundry assistance;
- grocery shopping;
- transportation;
- social activities;
- medication reminders and assistance;
- companions;
- help with chores;
- personal finance and household budget counseling;
- access education, training, and/or job counseling; or
- on-site day care to enable parents to work or attend school.

#### **B. PROCUREMENT**

Units selected for project-based assistance will be awarded by a competitive request for proposals initiated by GDPM. GDPM will require the owner to submit an application based upon selection criteria used for competitive awards. All units must meet selection criteria.

If a request for a proposal is initiated by GDPM; GDPM will publicly advertise the availability of project-based assistance for a specified number of units through a written application method. The request for proposal will contain selection criteria that shall not limit proposals to a single site or impose restrictions that would preclude proposals for different sites. A deadline for submission for proposals will be required. A public advertisement will be placed in The Dayton Daily News and other local and regional news papers.

### **C. SELECTION CRITERIA**

Proposals for project-based assistance may be requested for new or existing structures or structures that will undergo rehabilitation. The type of units sought for project-based assistance may have special conditions that are created to achieve a desired housing outcome for the type of families targeted to receive housing assistance and/or create affordable housing opportunities in specific geographic areas meeting site selection criteria. Site selection criteria will be included as part of the proposal in order to inform prospective bidders of the methodology used to evaluate proposals.

### **D. EVALUATION OF APPLICATIONS**

Applications will be judged individually and may be approved for project-based assistance if:

1. The application meets proposal requirements and the purposes described above;
2. The application meets site selection standards set by HUD pursuant to 24CFR Part 983.
3. Time tables for contract execution are met;
4. The owner is in good standing with HUD and GDPM; and,
5. The application is consistent with project based voucher regulations.

GDPM reserves the right to reduce the number of project-based units that have been requested.

### **E. AWARD OF PROJECT BASED CONTRACTS**

Project based contracts will be approved by the GDPM Board of Commissioners. GDPM shall give prompt written notice of such selection to the party that submitted the proposal and prompt public notice of such selection.

### **F. PARTICIPANT RIGHTS AND RESPONSIBILITIES**

Admission, tenant rent contributions, occupancy, tenancy, annual reexaminations, and housing quality standards and policies for participants will be governed by 24 CFR parts 982, 983, and this Administrative Plan. Voucher issuance and portability are restricted while the family participates in the project-based voucher program. Tenants may convert to the tenant-based voucher program after residing in a project-based unit after the initial term (not less than one year) expires. Tenants must comply with HUD's list of family obligations and Administrative Plan requirements.

## **G. GDPM RESPONSIBILITIES**

GDPM's project-based voucher program will comply with HUD and GDPM regulations and policies. If GDPM owned units are selected for project-based voucher assistance, a HUD field office review of GDPM's proposal and selection process will be required.