

**MCALLEN HOUSING AUTHORITY
MCALLEN, TEXAS**

HOUSING CHOICE VOUCHER

ADMINISTRATIVE PLAN

2023 Edition

Plan
Is derived from
HUD 24CFR Part 5 & 982, 983 Regulation
And
McAllen Housing Authority
Preferences and Procedures

HOUSING CHOICE VOUCHER

ADMINISTRATIVE PLAN

Distribution to Functional Areas

This Plan has been distributed to staff in the following departments:

- ☐ **Housing Choice Voucher (Section 8) Managers**
- ☐ **Housing Choice Voucher (Section 8) Caseworkers**
- ☐ **Financial Staff**
- ☐ **Intake Staff**
- ☐ **Inspectors**
- ☐ **Other: Specify: _____**

MCALLEN HOUSING AUTHORITY

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MCALLEN HOUSING AUTHORITY
HOUSING CHOICE VOUCHER
ADMINISTRATIVE PLAN

I. INTRODUCTION AND STATEMENT OF APPROACH AND OBJECTIVES TO ADMINISTER THE HOUSING CHOICE VOUCHER PROGRAMS

A. BACKGROUND

The McAllen Housing Authority was established in 1939, and was empowered with the responsibility and authority to maintain the Public Housing Program for the City of McAllen, Texas. The Section 8 Program was created by the Housing and Community Development Act of 1974 and amended by the Housing and Community Development Act of 1981 and the Quality Housing and Work Responsibility Act of 1998. In 1975 the Section 8 Program was established by the McAllen Housing Authority (hereinafter referred to as PHA), when it received the first Annual Contributions Contract (ACC) under the Section 8 Existing Housing Assistance Payments Program. The Quality Housing and Work Responsibility Act of 1998 also merged the Section 8 Program into the Housing Choice Voucher Program (HCV).

Administration of the HCV Programs and the function and the responsibilities of the PHA staff shall be in compliance with the Personnel Policy of the PHA, Fair Housing regulations, the HCV Administrative Plan, and applicable Standard Operating Procedures. All Federal, State and local housing laws will be followed and the PHA will comply with the City of McAllen's Consolidated Plan and their own Agency Plan.

B. HOUSING AUTHORITY MISSION STATEMENT AND HOUSING CHOICE VOUCHER PROGRAM OBJECTIVES

1. The mission statement of the PHA is:

Administration of the HCV Program and the functions and responsibilities of the PHA staff shall be in compliance with the PHA's personnel policy; and the Department of Housing and Urban Development's (HUD) HCV regulations as well as all Federal, State and Local Housing Laws and Regulations

2. The following objectives of the HCV Programs support the above mission statement:

- a. to provide decent, safe, and sanitary living conditions;
- b. to provide improved living conditions for very low-income families while maintaining their rent payments at an affordable

level;

- c. to promote personal, economic and social upward mobility to assist residents to make the transition from subsidized to non-subsidized housing; and
- d. to provide an incentive to private property owners/landlords to rent to low-income families by offering timely assistance payments and excellent service.

C. LEGAL JURISDICTION

The area of operation of the PHA is geographically defined as the McAllen city limits and its Extra-Territorial Jurisdiction.

D. PURPOSE OF THE ADMINISTRATIVE PLAN

The purpose of the Administrative Plan is to establish policies for items that are not covered under Federal Regulations for the Housing Choice Voucher Program (HCV) formerly known as the Section 8 Program.

The Administrative Plan, hereinafter referred to as the Plan, covers both the admission and continued participation in the above mentioned program.

Changes in the Plan will be approved by the Board of Commissioners for the PHA and a copy provided to the U.S. Department of Housing and Urban Development (HUD).

E. NONDISCRIMINATION

The PHA shall not discriminate because of race, color, gender, religion, creed, national or ethnic origin, age, family or familial status, disability, or sexual orientation, in the performance of its obligations in any program under its jurisdiction covered by a contract for annual contributions under the United States Housing Act of 1937, as amended.

To further the commitment to full compliance with applicable Civil Rights laws, the PHA will provide information to HCV applicants and participants with regard to housing discrimination. Information and Discrimination Complaint Forms will be made part of the briefing packet. In addition, the PHA adheres to the requirements of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013) and the VAWA program requirements as per HUD PIH Notice 2017-08.

Posters and housing information with the Equal Opportunity Housing logo may be displayed in locations through the PHA office in such a manner as to be easily readable from a wheelchair.

The PHA's HCV office space is accessible to persons with disabilities. Accessibility for the hearing impaired may be provided by the TDD/TDY telephone number.

F. SERVICE POLICY/ACCOMMODATIONS

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

Policies and practices are designed to provide assurances that all persons with disabilities are provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations may be made known by including notices on forms and letters to all families, and all requests may be verified so that needs can be properly accommodated. All mailings may be made available in an accessible format upon request, as a reasonable accommodation. Organizations which provide assistance for hearing-impaired and sight-impaired persons may be utilized.

G. TRANSLATION OF DOCUMENTS

In determining whether it is feasible to translate documents into other languages or Braille for the blind, the PHA will consider the following factors:

1. The number of applicants and residents who do not speak English and speak another language, or need Braille for adequate understanding.
2. The cost per client of translating the documents into another language or into Braille.
3. The availability of translation and/or interpreter services in the PHA's jurisdiction.

Documents intended for use by applicants and residents will be made available in formats accessible to those with vision or hearing impairments. Equally important, the documents will be simply and clearly written to enable applicants with learning or cognitive disabilities to understand as much as possible. It is also understood that many of the public housing related concepts may need to be explained more than once to applicants/residents. Sign language interpreters may be provided for hearing-impaired applicants/residents if requested as a reasonable accommodation. For applicants/residents unable to read, intake/occupancy staff will read and explain orally anything they would normally hand to an applicant/resident to be read or filled out. Staff will assist in completing forms and other required documents for persons unable to write.

4. At a minimum, the PHA will prepare the following information in a clearly written and accessible format:
 - marketing and informational material;
 - application process information;
 - the application;
 - all form letters and notices to the applicant/resident;
 - the PHA's general policy regarding reasonable accommodation;

- new resident orientation materials;
- the lease and any applicable house rules;
- guidance/instructions on care of the housing unit;
- information on opening, closing and up-dating the waiting list;
- all information related to applicant/resident rights (informal/formal hearings, grievance procedures, etc.).

H. PRIVACY RIGHTS

Applicants and participants, at time of application, admission, annual or interim reexamination, will be required to sign the form HUD-9886, Authorization for Release of Information/Privacy Act Notice, which is valid for fifteen (15) months from the date of signature.

The PHA policy regarding release of information is:

1. The PHA will not release information to other persons or entities unless the applicant/participant has signed a release of information authorizing the PHA to release specific information to the person(s) or entity.
2. However, the PHA may release information on amounts owed for claims paid and not reimbursed by the client.
3. Upon receiving a written request from a prospective owner/landlord, the PHA must release the Voucher holder's current and prior address, if known. The PHA must also release the name and addresses of the current and prior owner/landlord, of known.
4. The PHA may release information as required by law to a federal or state agency, law enforcement personnel, or if the PHA has received a court subpoena.
5. The PHA must limit use and disclosure of family information obtained through release and consent to purposes directly connected with the program administration.

I. RULES AND REGULATIONS

All issues not addressed in this document related to residents and participants are governed by the Code of Federal Regulations (24CFR) HUD Guidebook 7420.10G, HUD Memos, Notices and Guidelines or other applicable law, and the Section 8 Programs Standard Operations Procedures.

J. LIST OF SECTION 8 PROGRAMS

The following is a list of Housing Choice Voucher Programs offered by the PHA:

- Housing Choice Voucher Program
- Housing Choice Voucher Program – Veterans Affairs Supportive Housing (VASH)
- Housing Choice Voucher Homeownership Program. The HCV Homeownership Plan can be found on Appendix A
- Project Based Voucher Program as per HUD PIH Notice 2017-21

- Emergency Housing Voucher (EHV) can be found on Appendix B

K. STAFFING POSITIONS

The following are the positions/titles of staff members who are responsible for the implementation of the HCV Programs:

- Executive Director
- Deputy Director
- Finance Director
- Accountant I & II
- HCV Supervisor
- Case Workers
- Inspector
- Intake Specialist
- Receptionist

L. PUBLIC PARTICIPANT RELATIONS

The PHA considers all families as “participants” and owners as its “vendors.” The goal of the PHA is to respond promptly to the needs of its participants and vendors. All contact with the general public will be handled in a professional and courteous manner. The PHA may require complaints to be submitted in writing, except for emergency HQS deficiencies. Complaints that would otherwise not be resolved through the informal review or informal hearing processes will be referred to the appropriate staff person for resolution.

These complaints may include, but are not limited to:

1. treatment of participants by staff/agency;
2. complaints or referrals from persons in the community in regard to participants;
3. disagreement with an action or inaction by the family or owner; and
4. treatment of staff by participants or vendors

M. CODE OF CONDUCT

In accordance with the Annual Contributions Contract, Section 19, Conflict of Interest, and 24CFR 982.161 the McAllen Housing Authority has established a written code of conduct for conducting business in accordance with core values and ethical standards (See also PHA’s Conduct Standards Policy.).

1. Neither the PHA, nor any of its contractors or subcontractors, may enter into any contract or arrangement in connection with tenant-based programs in which the following class of persons has any interest, direct or indirect, during tenure or for one year thereafter.

- a. any present or former member or officer of the PHA or any member of the officer's immediate family; exempted is any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policy-making position with the resident corporation;
 - b. any employee of the PHA, any contractor or subcontractor, any agent of the PHA, who formulates policy or who influences decisions with respect to the programs;
 - c. any public official, member of a local governing body, or state or local legislator, or any members of such individuals' immediate family, who exercises functions or responsibilities with respect to programs;
 - d. any member of the Congress of the United States;
 - e. any member of the classes described in paragraph 1. of this section must disclose their interest or prospective interest to the PHA and HUD.
2. The Code of Ethics Policy prohibits solicitation or acceptance of gifts or gratuities, in excess of nominal value, by any officer or employee of the PHA, any contractor or subcontractor, or agent of the PHA.

The McAllen Housing Authority shall adhere to this Code of Conduct and shall sanction and/or terminate any officer, employee, or agent for violations consistent with applicable state or local law.

The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.

II. OUTREACH TO FAMILIES AND OWNERS/LANDLORDS

A. FAMILY OUTREACH

1. The HCV office continues to publicize and disseminate information, as needed, concerning the availability and nature of housing assistance. Upon execution of an Annual Contributions Contracts (ACC) for additional units, the HCV office may make known to the public through publication in a newspaper of general circulation, minority media, and other suitable means the availability and nature of housing assistance for very low-income families, unless application-taking has been suspended according to HUD regulation. A waiting list hotline with a recorded message may be utilized.
2. To reach persons who cannot read the newspapers, the HCV office may distribute fact sheets to the broadcast media. Personal contacts with the news media and with community service personnel as well as public service announcements will be handled by the Executive Director's office or designee.
3. Upon receipt of new funding, the HCV office may review its current waiting list and consider whether outreach is needed. If it is needed, the HCV office will analyze outreach options to accommodate the diversity and distribution of eligible families and the differences in their willingness to respond to and

participate in the program.

B. OPENING/CLOSING THE WAITING LIST

1. The following options may be considered when opening the Waiting List Per 24CFR982.206:
 - a. The PHA will give public notice by publication in a local newspaper of general circulation, post notice at main business office, PHA webpage at least 30 days in advance of the Opening of Waiting list. Notice will contain HUD Equal Opportunity Housing Logo, state location and times of the Pre-Application intake.
 - b. The following criteria may be used when selecting a method to open the Waiting list:
 - (1) Potential applicants must be treated with dignity and concern. The need to stand in line for long periods of time is to be avoided.
 - (2) Reasonable methods to assist people with disabilities are to be utilized.
 - (3) The number of applicants needed, income level of applicants for income targeting purposes, and the costs of any method may be considered.
2. Closing the Waiting List
 - a. The closing date of the Waiting List may be announced at the same time as the opening is announced. If notice is not placed at the same time of the opening, the PHA will give public notice by publication in a local newspaper of general circulation and post notice at main business office of the PHA at least 30 days in advance of Closing the Waiting List.
 - b. The PHA may use the closing date to limit the size of the Waiting List to a number of applicants who will most likely receive assistance within a twelve (12) to eighteen (18) month period.

C. OWNER/LANDLORD OUTREACH

1. The HCV office maintains good relations with existing owners/landlords and encourages new owners/landlords to participate and to make dwelling units available for leasing by eligible families in accordance with this Administrative Plan.
2. The PHA may use a comprehensive marketing effort described in the next section to recruit owners/landlords in areas that offer expanded opportunities to our participants.
3. In order to assure that owner/landlord outreach efforts are reaching owners/landlords with units outside areas of low-income and minority concentration, the PHA evaluates new Request for Tenancy Approvals by

Housing Choice Voucher Administrative Plan
determining if the address is in an area outside poverty/minority concentration.

4. The PHA may participate with community-based organization(s) comprised of private property and apartments/landlords and managers.
5. The PHA may conduct periodic meetings with participating owners/landlords to improve owner/landlord relations and to recruit new owners/landlords.
6. Previous take-one, take-all requirements have been eliminated.

D. PROMOTING GREATER HOUSING OPPORTUNITIES FOR FAMILIES
OUTSIDE AREAS OF LOW-INCOME AND MINORITY CONCENTRATION

1. A comprehensive marketing plan may be used to locate owners/landlords, as follows:
 - a. Un-impacted areas are identified.
 - b. Regular meetings are held with investors and other owner/landlord groups to explain the program and recruit owners/landlords. A presentation is given and written materials are distributed.
 - c. The rental stock in areas without concentration of very low-income and minority residents are surveyed to identify vacant units. The owners/landlords and managers are contacted.
 - d. Investors are recruited to purchase units in the identified areas and rent them to the Section 8 applicants/participants.
 - e. Apartment complex managers are recruited through meetings with manager associations and special training programs geared toward apartment management.
 - f. Ads and articles are placed in owner/landlord, manager, and investor newsletters.
 - g. All HCV staff is required to adopt the customer service representative approach and implement the program accordingly.
 - h. Tax credit investors are monitored for proper participation to meet their responsibilities as participants using the HCV Program in conjunction with their other subsidies.
2. Mass media is used as needed.
3. The following actions may be taken to comply with SEMAP requirements:
 - a. Provide information about general locations and characteristics of neighborhoods to applicants and participants.
 - b. Upon Request a current listing of available rental property to HCV applicants and participants. These listings show addresses, shopping centers, bus lines, deposit information, etc., as provided by owners/ landlords.
 - c. Applicants and participants are made aware that they may choose any unit within the PHA's jurisdiction as long as the program requirements are met

- regarding the unit.
- d. Applicants and participants are advised of portability provisions that may be available in the Housing Choice Voucher Program.
- e. HCV applicant and participants may be provided a map which identifies areas of low-poverty and minority concentrations. Applicants are referred to all areas of the city.

III. COMPLETION OF APPLICATION, PREFERENCES, DETERMINATION OF ELIGIBILITY, AND SELECTION OF FAMILIES PLACED ON WAITING LIST
(983.251 & 982.204 for W/L)

A. COMPLETION OF APPLICATION

1. Pre- Application Intake Procedures

- a. Pre-Application Waiting List is a combined list for both the Tenant Based (HCV) and Project-Based (PBV) programs. When processed for assistance for either HCV or PBV, the applicant is considered processed for eligibility of both programs. In addition, a Site-Based waiting list is created to assist a McAllen Housing Authority Rental Demonstration Program conversion. This RAD Waiting list is to assist in converting Public Housing Participants from the affected development to Project Based Voucher program. Once converted the Site-Based waiting list is maintained at zero-participants until the next RAD Conversion.
- b. A pre-application is filled by the applicant during application intake periods, on-site and with the assistance of PHA application intake clerks. Pre-Applications will be Time & Date stamped for placement on the Waiting List. When placed on the waiting list Pre-applications are ranked based on Time & Date and applicable preferences if any.
- c. Pre-Applications are accepted electronically via email or online through a third party based software provider procured through the PHA's procurement policy. The McAllen Housing Authority has the discretion to accept Pre-Applications via email, online or any other electronic format necessary to maintain the HCV waiting list. One-hundred (100) applications are accepted between the hours of 8:00 am to 5:00 pm CST, on the second Thursday of every month or any combination of months in order to maintain the waitlist. The McAllen Housing Authority has the discretion to post a calendar listing application intake events. The McAllen Housing Authority has the discretion to exceed the maximum number of applications issued and accepted, if necessary to maintain the waiting list and to approve Fair Housing reasonable accommodations. If for any reason the intake location is moved, the new location will be posted in the lobby of the Main McAllen Housing Authority Office, at 1200 N. 25th St., McAllen, Texas and posted on its Webpage at least 30 days before the next pre-application intake date.
- d. In cases of Inclement Weather, pandemics or epidemics the PHA has the discretion to cancel the Pre-Application intake. In cases of Declared Natural Disasters pandemics or epidemics, the PHA has the discretion to

accept pre- applications in a manner it feels is most efficient and appropriate to handle the situation. Regardless of date and time for normal pre-application intake.

- e. Applicants are required to inform the PHA, in writing, of changes in address. Applicants are also required to respond to requests from the PHA to update information on their Pre-application and to determine their interest in assistance.
- f. Mail that is returned by the U.S. Postal Service undelivered will result in removal from the waiting list. Applicants who are removed from the waiting list may reapply for assistance when the waiting list is opened. Per 24CFR 982.555 (b) (1).

2. Completion of a Full Application

- a. When the applicants name reaches the top of the Waiting List, they will be contacted and informed in writing to come to the office at a scheduled interview to determine their eligibility. This letter will also identify the type of information that the applicant will be required to bring to update any existing information already on file.
 - Applicants must be provided the opportunity to complete the information on form HUD-92006, Supplement to Application for Federally Assisted Housing. The form gives applicants the option to identify an individual or organization that the PHA may contact and the reason(s) the individual or organization may be contacted. The applicants, if they choose to provide the additional contact information, must sign and date the form.
 - Applicants who are currently on the PHA's Waiting List and who have not been provided the opportunity to complete the HUD- 92006, Supplement to Application for Federally Assisted Housing, must be provided the opportunity at the time of admissions.
- b. Requirement to Attend Scheduled Meeting-If the applicant fails to attend the scheduled Initial appointment by the PHA or if the applicant fails to attend a Second – or re-scheduled appointment and does not contact the PHA in writing or by telephone to reschedule the appointments, the applicant will be dropped from the waiting list and may reapply at the next application intake date. A formal letter will be forwarded to the applicant informing of the removal from the waiting list for lack of responding to the initial and any rescheduled appointment.
- c. Verification of Full Application Information
 - Information provided by the applicant will be verified including information documenting family composition, income, assets, allowances and deductions, preference status (if needed), full-time student status, and other factors relating to eligibility, to determine applicant eligibility before

the applicant is issued a Voucher.

- Third-party verifications in writing (sent by mail directly to the PHA) are required. The PHA will retain the returned envelop in the tenant's file as proof of receipt of third-party documentation. Oral third-party verifications are acceptable if they are properly documented with details and a reason given as to why third-party written verification was not obtained.
- If third-party verification is impossible to obtain, documentation will be placed in the tenant's file explaining why another method was used and other documents may be provided by the family. Documents will be photocopied when not prohibited by law. When documents cannot be photocopied, staff certification forms, noting documents viewed will be used by recording the source of information, the information obtained, and signed and dated by the staff person who viewed the document.

3. Final Determination and Notification of Eligibility

- a. Once a family has been determined to be eligible a Briefing Session will be scheduled to introduce the program requirements and helpful hints. At the end of the Briefing Session the eligible applicant will be issued their Voucher.
- b. If the family fails to appear to their initial scheduled Briefing, a second and final Briefing Session will be scheduled. If family fails to appear for their second and final Briefing the voucher will not be issued and the family will be considered processed and removed from the waiting list. Family may reapply at the next available application intake.

2. Denial of Admissions

In addition to Section D of this chapter, denial of program assistance may be made for a PRE-applicant and participant for any of the following grounds:

- a. The family fails to supply any information that is determined necessary in the administration of the program;
- b. The applicant and participant provide information that is not true or complete;
- c. The applicant or family member(s) has been evicted from federally-assisted housing in the last three (3) years;
- d. If the PHA has ever terminated assistance under the voucher program for any member of the family for violation of the Family Obligations;
- e. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;
- f. If the family currently owes rent or other amounts to the PHA or another PHA in connection with any HCV program(s) or Public Housing Assistance under the 1937 Act;
- g. If the family has not reimbursed any PHA for amounts paid to an owner/landlord under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- h. If the family breaches an agreement to pay amounts owed to a housing authority or amounts paid to an owner/landlord by a housing authority; (The PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner/landlord by a

PHA. The PHA may prescribe the terms of the agreement);

- i. If the family has engaged in or threatened abusive or violent behavior toward PHA personnel.
- j. If an applicant is a Sex Offender and/or required to be registered in a “State life-time sexual offender” registry, they will be determined ineligible.
- k. Any family member has been convicted of manufacturing or producing methamphetamine on the premises of any federally assisted housing (including the building or complex in which unit is located and associated common areas and grounds);
- l. The applicant does not meet the eligibility criteria (e.g. the family’s annual income exceeds income limits for a family of that size);
- m. Any adult member refuses to sign or submit required consent forms (non-citizen status, 9886).

3. Right to an Informal Review

The Informal Review process can be reviewed in greater detail in “Section XXI. Informal Hearing & Reviews”.

- a. Applicants who are denied HCV assistance are entitled to an informal review.
- b. Ineligible applicants will be promptly provided with a letter detailing their individual status, stating the reason for ineligibility, and offering them an opportunity for an informal review.
- c. Applicants must submit their request for an informal review in writing to the PHA within ten (10) calendar days from the date of the Notice of Ineligibility.

4. Updating the Waiting List (Purge)

- a. The PHA may periodically update (purge) the waiting list to ensure that it is current and accurate.
- b. The PHA may mail a letter to the applicant’s last known address requesting information regarding their continued interest in maintaining a place on the waiting list.
- c. Applicants will be given fifteen (15) calendar days from the date on the letter to return the notice of continued interest. The PHA does not accept responsibility for mail delays.

B. LOCAL PREFERENCES

The PHA has elected to give preferences in the following priority order

- a) RAD Preference - All families that have elected to terminate the assisted lease at any time after the first year of occupancy in a designated Project Based Voucher Rental Assistance Demonstration development. Lease terminations must be in accordance with all HCV program requirements to be eligible for the RAD Choice Mobility preference. These vouchers shall be based on availability. In the event there is a lack of vouchers to satisfy the request, a waiting list will be developed based on time and date of interest.

- b) For issuance of Project Based Vouchers, selection of family from the Waiting List shall be based on two components; consideration is Time and Date together with PHA's Occupancy Standards. in reference to the Project Based Unit that is vacant.

PHA Occupancy Standards List

Size	Minimum # of Persons	Maximum # Persons
0 BR	1	1
1 BR	1	3
2 BR	2	5
3 BR	3	7
4 BR	4	9

The PHA does not discriminate families or applicants who are victims of Domestic Violence and Natural Disasters.

C. SELECTION FROM WAITING LIST

1. Basic Selection Policy

- a. Applicants shall be selected in order of date and time of the initial P r e - application with consideration given to the regulations governing income targeting as well as any adopted local preference.
- b. Applicants whose income is greater than thirty percent (30%) of the areas median income may be passed on the waiting list pursuant to the income targeting requirements detailed below.
- c. Applicants who applied earlier than applicants who are eligible for local preferences may be passed on the waiting list.
- d. PHAs may not select applicants from the waiting list in an order different from the selection procedures "for the purpose of selecting higher income families" for the program.

2. Income Targeting Pursuant to the Quality Housing and Work Responsibility Act

- a. Not less than seventy-five percent (75%) of all new admissions shall be families whose income is below thirty percent (30%) of the area median income. A "new admission" shall be defined as an applicant being offered assistance. (Note: A PHA can reduce its required public housing admission of families with income below 40% of median income in a given fiscal year by admitting more than 75% of extremely low-income families.)
- b. A PHA may admit a lower percent of extremely low-income families during a PHA's fiscal year (than otherwise required) if HUD approves the use of such lower percent by the PHA, in accordance with the PHA plan, based on HUD's determination that:

- (1) The PHA has opened its waiting list for a reasonable time for admission of extremely low-income families residing in the same metropolitan statistical area (MSA) or non- metropolitan county, both inside and outside the PHA jurisdiction;
 - (2) The PHA as provided full public notice of such opening to such families, and has conducted outreach and marketing to such families, including outreach and marketing to extremely low-income families on the HCV and public housing waiting lists of other PHAs with jurisdiction in the same MSA or non-metropolitan county;
 - (3) There are not enough extremely low-income families on the PHA's waiting list to fill available slots in the program during any fiscal year for which use of a lower percent is approved by HUD; and
 - (4) Admission of the additional very low-income families other than extremely low-income families to the PHA's tenant- based Voucher program will substantially address worst case housing needs as determined by HUD.
- c. Two (2) or more PHAs in same jurisdiction may elect to be treated as a single PHA for purposes of meeting targeting goals.
- d. If a family initially leases a unit outside the PHA jurisdiction under portability at admission to the Voucher program, such admission shall be counted against the targeting obligation of the initial PHA (unless the receiving PHA absorbs the portable family into the receiving PHA Voucher program from the point of admission).
- e. For further Income Targeting clarification refer to 24 CFR Sec. 982.201.

D. MONITORING OF SELECTION AND LEASING

In compliance with SEMAP requirements, a statistical report is monitored each month to insure that PHA has complied with current regulations affecting the waiting list and selection as it relates to income requirements, and the local preference selection of families.

E. SPECIAL PURPOSE FUNDING ADMISSIONS

HUD may provide funding to serve a targeted population. When HUD targets funding assistance for a special populace, the PHA may accept an application and place the applicant on the waiting list even though the waiting list may be closed. Since HUD specifies the special population, there is no limit to the number of admissions except for the limit as defined by HUD in establishing the special population and funding. The McAllen Housing Authority administers the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program with a HUD set limit of ten (10) HUD- VASH vouchers.

If a VASH family no longer needs case management as determined by the VAMC, the family is still eligible for rental assistance under the HCV program. In cases where case

management is no longer needed, the PHA may use one of its own vouchers, if available, to continue assisting the family and free up a VASH voucher to another HUD- VASH eligible family. If a regular voucher is not available, the family would continue utilizing the VASH voucher. If a HUD- VASH voucher is switched from a HUD-VASH voucher to a regular voucher, the family is not subject to the PHA's waiting list because the family is already a participant in the PHA's HCV program.

F. ELIGIBILITY DETERMINATION

1. Family Designation

- a. Two (2) 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 for at least one year if not legally married.
- b. Evidence of a "stable family relationship" may include any of the following: birth certificates of the children, joint tax returns, prior lease (held jointly), joint bank accounts, insurance policies, affidavit of domestic partnership or equivalent documentation.
- c. 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.
- d. An elderly & disabled household whose head, spouse or co-head meets the following definitions per 24CFR5.100 Subpart A & 24CFR5.403 Subpart D The head, spouse, co-head or sole member must be:
 - Elderly Family means a family whose head, spouse, or sole member is a person who is at least 62 years of age.
 - Disabled family means a family whose head, spouse, or sole member is a person with disabilities as defined in 42 U.S.C. 423.
 - Is determined, pursuant to HUD regulations, to have a physical, mental, or emotion impairment that:
 - Is expected to be long-continued and indefinite duration;
 - Substantially impedes his or her ability to live independently, and is of such nature that the ability to live independently could be improved by more suitable housing conditions; or
 - Has a developmental disability as defined in 42 U.S.C. 6001.
 - For the purpose of qualifying for housing assistance does not include a person whose disability is based solely on any drug or alcohol dependence.
- e. Single Persons

A person, 18 years old or older, who lives alone or intends to live alone, and who does not qualify as an elderly family or displaced person or as the remaining member of a resident family.

f. Remaining Members

The remaining members of a participant family shall be considered a family. When the head of household departs the family, the adult, 18 years old or older, responsible for the children may receive assistance until the head of household returns.

g. Head of Household

The head of household is an adult member, 18 years old or older, of the household who is designated by the family as the head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated minors who qualify under State laws will be recognized as a head of household.

h. Split Households Prior to Issuance of Assistance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation and the new families both claim the same placement on the waiting list, and there is no court determination, the following will be considered:

- which family unit retains the children or any disabled or elderly members;
- recommendation of social services agencies or qualified professionals, such as children's protective service.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, both may be denied placement on the waiting list.

i. Anticipated Family Composition

For initial application, members of the family not currently residing together, but who will be in the household under the HCV Program may be listed. The family is to provide documentation describing why the family members are not currently living together.

j. 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 186 days of the year, which do not have to run consecutively.

k. Live-in Aides (also referred to as Live-in Attendants)

CFR982.316; A family may include a live-in aide as a reasonable accommodation who:

- is determined to be essential to the care and wellbeing of an elderly person, a near-elderly person, or a person with disabilities;
- is not obligated for the support of the family; and
- would not be living in the unit except to provide care for the person(s);
- whose income will not be counted for purposes of determining eligibility or rent; and
- who may not be considered as a remaining member of the resident family;
- relatives are not automatically excluded from being care attendants, but must meet the definition described above;
- a live-in attendant's family members may be allowed to reside in the assisted unit provided that doing so does not increase the subsidy cost of an additional bedroom, and the presence of the live-in attendant's family does not overcrowd the unit;
- a live-in aide may only reside in the unit with pre-approval.
- Written verification form for the need for a live-in aide will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The provider must certify that a live-in aide is needed for the care of the family member.
- The PHA may disapprove a particular person as a live-in-aide if he or she has
 - Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
 - Committed drug related criminal activity or violent criminal activity
 - Or currently owes rent or other amounts to the PHA or to other PHAs in connection with the section 8 or public housing assistance under the 1937 Act.
 - The PHA will not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the PHA's subsidy standards. Occasional, intermittent, multiple or rotating care givers that do not typically reside in the unit would not qualify as a live-in aide, and therefore will not be approved for an additional bedroom under these circumstances.
 - The PHA may approve only one additional bedroom for a live-in aide.

2. Income Eligibility

Family income must fall within the applicable Very Low-Income limits as published by the Department of Housing and Urban Development. Some families may qualify if they are Low-Income under these circumstances:

- a. a low-income family that is "continuously assisted" under the 1937 Housing Act;
- b. a low-income family physically displaced by rental rehabilitation activity under 24 CFR 511;
- c. a low-income non-purchasing family residing in a HOPE I (HOPE for Public and Indian Housing Homeownership) or HOPE 2 (HOPE for

- Multifamily Units) Project;
- d. a low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173;
 - e. a low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.
3. Restrictions on Assistance to Non-citizens or Eligible Immigration Status Requirements as defined in 24CFR24CFR5.500 Subpart E.
 - a. Required Documentation
 - HCV programs are covered under Section 214 of the Housing and Community Development Act of 1980, which makes financial assistance contingent upon the submission of verifiable evidence of citizen or eligible non-citizen status.
 - Families must submit evidence of citizenship or eligible non- citizen status. A family consisting of members with both eligible and ineligible status may be eligible for prorated assistance.
 - Verification of evidence of eligible non-citizen status is necessary to determine whether or not the applicant/participating family is eligible for continuing assistance or admittance to the program. Families will be required to submit a declaration for all members who claim eligible status and/or provide a listing of those members who do not claim eligible status.
 - Non-citizen students do not have eligible status, nor does their non-citizen spouse and/or minor children accompanying or joining the non-citizen student. A citizen spouse or minor children of a citizen spouse and non-citizen student are eligible for assistance, however;
 - Eligible immigration status includes the following categories:
 - Citizens or national of the United States;
 - Non-citizens with status in one of the following categories:
 - A non-citizen admitted to the U.S. for permanent residence under Section 101(a)(20) of the Immigration and Nationality Act (INA); as an immigrant under Section 101(a)(15) or as a special agricultural worker under Section 120 or 210A of the INA;
 - A non-citizen who entered the U.S. before January 1, 1972, (or such later date as enacted by law), and who
 - (1) has continuously maintained residence in the U.S. since then,
 - (2) who is not ineligible for citizenship, and
 - (3) who has been deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA;
 - A non-citizen admitted to the U.S. with refugee status under Section 207 of the INA, or with asylum status under Section 208 of the INA, or admitted before April 1, 1980 under Section 203(a)(7) of the INA;
 - A non-citizen admitted to the U.S. with parole status under Section 212(d)(5);
 - A non-citizen lawfully present in the U.S. as a result of the

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Attorney General's withholding deportation under Section 243(h)
of the INA (threat to life or freedom); or

- A non-citizen admitted for temporary or permanent residence under Section 245A of the INA.
- Evidence of citizenship or eligible non-citizen status shall consist of the following documents or such other documents as deemed acceptable by HUD or the U.S. Citizenship and Immigration Services (CIS) (formerly INS):
 - For citizens: a signed Declaration of U.S. citizenship;
 - For non-citizens:
 - A signed Declaration of eligible immigration status;
 - The CIS documents listed in Guidebook 7465.10G, Chapter 6, Section 6-4 (or any other documents determined by the CIS to be acceptable evidence and announced by notice in the Federal Register); and
 - A signed Verification Consent Form.
- Documents submitted by an applicant family to verify eligible immigration status will be first verified using the CIS Systematic Alien Verification for Entitlements (SAVE) system. If searches fail to verify eligibility, the family will be notified and will be given the option of requesting an appeal to the CIS.

b. Ineligible Immigration Status

- Families determined to be ineligible when the evidence of citizenship or eligible non-citizen status submitted by a head of household or spouse cannot be verified either by the PHA's preliminary inquiry or by the CIS secondary search, will be notified in writing that the individual or family has been determined ineligible.

Applicant families may request an informal hearing as described in Section 9-2 (c)(2) of Guidebook 7465.10G either upon the completion of the CIS appeal or in place of the CIS appeal.

- Assistance to an applicant may be delayed if the CIS appeal process has been concluded, but may not be denied until after the conclusion of the PHA informal hearing process, if an informal hearing is requested by the applicant.

G. DRUG ABUSE AND CRIMINAL ACTIVITY

1. Denial of Admissions

a. Prohibiting Admission of Persons Terminated for Drug-Related Criminal Activity

The PHA prohibits admission to the program of an applicant for three (3) years from the date of termination if a household member has been terminated from federally assisted housing for drug-related criminal activity. However, the PHA may admit the household if the PHA determines:

- (1) that the household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA; or
 - (2) that the circumstances leading to termination no longer exist. (For example, the criminal household member has died or is imprisoned.)
- b. A household shall be denied admission if:
- (1) any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.
 - (2) has been convicted of manufacturing or producing methamphetamine on the premises of any federally assisted housing (including the building or complex in which the unit is located and associated common areas and grounds).
- c. Households shall be denied admission for five (5) years after the date of the most recent conviction if any household member is convicted of a drug-related criminal activity, violent criminal activity, other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor or agent), or pattern of alcohol abuse. A “pattern” shall be at least three alcohol-related criminal offenses within the five (5) year period prior to application for assistance.
- d. The following are standards to be applied as appropriate, for drug-related criminal activity and other criminal activity concerning denial of admission:
- (1) The PHA may determine the use of an illegal drug through a conviction of a drug-related charge.
 - (2) The PHA shall determine involvement in criminal activity through the conviction for a criminal activity.
 - (3) Any household member includes adults and minors who are on the lease or who are living in the household, but not reported to the PHA.
 - (4) Currently engaging in illegal use of a drug or other criminal activity shall be defined as a conviction within one year from the date the PHA discovers the conviction.
 - (5) Reasonable cause shall be determined by a conviction on an illegal use of a drug charge or other criminal activity.
 - (6) There is no time period concerning the conviction of a drug-related charge for manufacturing, production, or distribution of methamphetamine on the premises of federally assisted housing. Such household members being convicted of this offense will always be denied admission.
 - (7) The time period of ineligibility for admission for other drug-related convictions or other criminal activity convictions shall be five (5)

years from the date of the conviction.

- (8) If the PHA previously denied admissions for criminal activity, the PHA elects not to consider evidence that a household member was not engaged in criminal activity for a period of time. The household shall not be eligible for admission for five (5) years from the date of the conviction.
- (9) Evidence of criminal activity shall be defined as conviction of criminal activity.

The PHA shall terminate the assistance of a family if any household member is currently engaged in any illegal use of a drug, has ever been convicted of drug-related criminal activity for manufacture, production or distribution of methamphetamine on the premises of federally assisted housing, is convicted of other drug-related criminal activity, violates the family obligation not to engage in criminal activity or is convicted of alcohol-related offenses in a pattern of at least three convictions within a one year period. Other crimes committed while under the influence of alcohol are covered by the criminal activity references in this section and the family obligations.

2. Use of Criminal Record

- a. Denial. If a PHA proposes to deny admission for criminal activity as shown by a criminal record, the PHA must provide the subject of the record and the applicant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with Sec. 982. 554.
- b. Termination of Assistance. If a PHA proposes to terminate assistance for criminal activity as shown by a criminal record, the PHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the tenant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with Sec. 982. 555.
- c. Cost of Obtaining Criminal Record. The PHA may not pass along to the tenant the costs of a criminal records check.
- d. Permitted use and disclosure of criminal records/sex offender registration records received by the PHA may only be used for applicant screening and/or for lease enforcement and termination. A PHA may disclose criminal convictions as follows:
 - (1) To officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information. For example, if the PHA is seeking to terminate an HCV participant on the basis of criminal activity/sex offender status as shown in criminal conviction records, the records may be disclosed to PHA employees performing functions related to the termination or to a PHA hearing officer conducting an administrative grievance hearing concerning the proposed termination.

- (2) If a PHA obtains criminal records from a State or local agency showing that a household member has been convicted of a crime/sex offense relevant to applicant screening or tenant lease enforcement or termination, the PHA must notify the household of the proposed action based on the information obtained. The PHA must also provide the subject of the record and the applicant or participant a copy of such information before a denial of admission, termination or lease enforcement action on the basis of such information.
 - e. If, at any time during the program participation, the PHA has a documented reasonable cause (e.g., newspaper articles, credible informants, police reports) to believe that a household member is engaged in drug-related or other criminal activity which would pose a threat to the health, safety, or right to peaceful enjoyment of the premises by other residents or PHA employees, the PHA may run a subsequent criminal check of that household member.
3. Consideration of Circumstances

In determining whether to deny or terminate assistance because of action or failure to act by members of the family:

- a. The PHA may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstance related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.
 - b. In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the PHA may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U. S. C. 13661). For this purpose, the PHA may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.
 - c. If the family includes a person with disabilities, the PHA decision concerning such action is subject to consideration of reasonable accommodation in accordance with 24 CFR part 8.
4. Records Management
- a. All criminal information received will be maintained confidentially and not misused, or improperly disseminated.
 - b. Such information may be housed in a locked file with access restricted to individuals responsible for screening and determining eligibility and to the Executive Director.

- c. If the applicant is determined to be eligible, the criminal report shall be shredded as soon as the applicant is housed. If the applicant is denied assistance, the criminal record information shall be destroyed immediately upon completion of the hearing or due process procedures and a final decision has been made.
- d. The PHA will document in the applicant's file the circumstances of the criminal report and the date the report was destroyed.

5. Drug Treatment Facility Information

- a. As needed during the informal review or hearing process the PHA may seek information from a drug treatment facility to verify that an applicant or participant is participating in or has completed a drug rehabilitation program, or to verify drug-free status.
- b. In such cases the PHA will utilize a written consent form required by 24 CFR 960.205.
- c. The PHA is not obligated to request information from drug treatment facilities and is not liable for damages for failure to request or receive the information.
- d. All information received from a drug treatment facility must be maintained confidentially and not be misused improperly or disseminated.
- e. The information must be destroyed either:
 - (1) no later than five (5) business days after the PHA makes a final decision to admit the person to the HCV Program; or
 - (2) if the PHA denies admission, the PHA will destroy the information in a timely manner after the statute of limitations has passed for the individual to file a civil lawsuit.

6. Components of Screening Process

A criminal history report will be requested from the law enforcement agency for adult members according to the following procedure:

- a. For all applicable household members, the PHA will submit to a law enforcement agency the name, sex, race, date of birth and social security number.
- b. Based on the identifiers submitted, the law enforcement agency will provide this PHA with any criminal history conviction record information and outstanding warrants that are found on the law enforcement agency Computerized Criminal History database and the appropriate Crime Information Center.
- c. The law enforcement agency may also search the National Crime Information Center (NCIC) for criminal information. If a record exists,

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the law enforcement agency will notify this PHA that such information was found, and will provide the PHA with a copy of the information.

- d. If the person disputes or contests the criminal history report received by this PHA, the PHA may at this time determine that a fingerprint check is necessary.
- e. In no case will the applicant be charged for the cost of the criminal history checks.

7. Ineligibility Determination

- a. Families determined to be ineligible due to the definition of family, income, or drug-related criminal or violent criminal activity, or a pattern of alcohol abuse, will be notified in writing that they do not qualify for the program. Families will be notified of the right to have an Informal Review.
- b. The Informal Review will be conducted according to regulatory requirements and as outlined further in this Administrative Plan.
- c. If the applicant or household members refuse to supply required information and/or refuses to sign form HUD-9886 or other PHA release forms, the family will be determined to be ineligible. The informal review process will apply to an applicant family who has been denied assistance on these grounds.

IV. DETERMINATION OF INCOME, TOTAL TENANT PAYMENT AND FAMILY SHARE

The PHA will not devise or implement income or rent determination, verification, or other related policies or procedures in a way that discriminates against persons on the basis of race, color, national origin, sex, religion, familial status, and perceived or actual disability.

A. ANNUAL INCOME

Annual Income is used to determine whether the family is within the Income Limits. Annual income is the anticipated amounts, “monetary or not,” that go to, or “on behalf of,” the family (including temporarily absent head, spouse or co-head), and are received from a source outside the family within the twelve (12) months following certification. All income that is not specifically excluded in the HUD regulations is counted.

Adjusted Income is the Annual Income minus HUD allowable expenses and deductions.

Both Annual and Adjusted Income are used to calculate the amount of the subsidy for Vouchers. In calculating Annual and Adjusted Income, the PHA must include the income of every member of the household, including those who are temporarily

absent. Income of persons who are permanently absent from the household will not be counted.

Income is defined by HUD regulations and is further interpreted in HUD Notices and Memos which must be followed. However, there are policy decisions that are needed in order to assure consistent interpretation of HUD regulations.

The PHA is required to verify family income, family composition, and characteristics, value of assets, factors allowing a preference, and other factors relating to eligibility determinations both before an applicant is issued assistance and annually.

The PHA may use several methods to verify income and income deductions. Up-front and third-party (independent) verifications will be obtained by the PHA either electronically or sent by mail to the appropriate agency. To qualify as third-party verification the document(s) must never touch the applicant's or tenant's hands. However, staff will clearly document the reason they were unable to obtain written third-party verification from the income or asset source. Under HOTMA, use of third-party income determinations must be made within the previous 12 month period for purposes of the following tested forms of Federal public assistance:

- The Temporary Assistance for Needy Families block grant (42 U.S.C. 601)
- Medicaid (42 U.S.C. 1396)
- The Supplemental Nutrition Assistance Program (42 U.S.C. 2011)
- The Earned Income Tax Credit (26 U.S.C. 32)
- The Low-Income Housing Credit (26 U.S.C. 42)
- The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786)
- Supplemental Security Income (42 U.S.C. 1381)
- Other programs administered by the Secretary.
- Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.
- Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register.

If third-party written verification is not possible, the PHA may use third-party oral verification and must calculate annual income in accordance with 24 CFR part 5, subpart F. If third-party verification is not possible, the Review of Documents method of verification may be used. And if that method is not possible, the PHA may use accept self-declaration. When any form of verification other than third-party written is not used, the PHA will document the file with the reason that another form of verification was used.

B. INCOME INCLUSIONS

1. Income of Temporarily Absent Household Members

In accordance with HUD regulations, the income of the temporarily absent spouse of the head of household will be included in total family income. The PHA will consider an absence anticipated to last less than twelve (12) months to be

“temporary” unless the head of household can provide verification that the household member is permanently absent.

In calculating Annual and Adjusted Income, the PHA must estimate the income of every member of the household, including those who are temporarily absent. Income of persons who are permanently absent from the household will not be counted. Families must report in writing to the PHA any absence from the household of more than 90 consecutive days and shall report their absence to the owner/landlord, consistent with the lease provisions. Any changes in family composition must be reported in writing to the PHA within thirty (30) days. Families will be counseled at briefing sessions and re-certification on the effect family composition may have in determining Voucher size and Total Tenant Payment as well as the PHA's policies for dealing with such changes. At times, situations may arise that result in the temporary or permanent absence of a family member or members from the household. Such situations will be handled in the following manner:

- a. Absence of children for foster care. In instances in which the children have been removed from the home by a social service agency, the agency will be contacted to determine the approximate length of time the children are expected to be away from the home.
- (1) If the agency indicates that the children are expected to return to the home at some point, the children will remain a part of the family composition and will be counted toward the family's subsidy standard, but will not be counted as dependents until they return to the home.
 - (2) If the children are not expected to ever return to the home, the children will be removed from the family composition and the family's subsidy standard will be reduced accordingly.
 - (3) If the agency indicates that it is unknown whether the children will be returned to the home, the children will remain a part of the family composition.

Oral conversations with the social service agency must be thoroughly documented in the family file, including the date of contact, name and title of contact person, name of agency, and telephone number and the details of the conversation.

- b. Absence of single parent; use of caretaker adult. When a single parent leaves the household for an extended period as a result of imprisonment, hospitalization, military service, etc., and another adult moves into the home to care for the children, the rental assistance will not be terminated. The family composition will be modified to include the name of the caretaker as head of household. The caretaker's income will not be included in the family income. The single parent's name shall be temporarily removed and the file documented to explain the circumstances. When the parent returns to the unit, the caretaker may leave or remain in the household. If the caretaker remains, his/her income will be included in the calculation of family income. In addition, the caretaker will be responsible for obtaining the owner's/landlord's approval.
- c. Absence of head of household, spouse, or co-head due to military service or school. If the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the income will be included in the calculation of family income. However, income received as a result of special hazardous duty pay when exposed to hostile fire will not be included.
- d. Absence of other family member due to military service or school. If a family member other than the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the family has the option of considering the person permanently absent (income not counted, not on lease, and not counted for Voucher size) or temporarily absent (income counted, on lease, counted for Voucher size). Income received as a result of imminent danger pay when exposed to hostile fire will not be included.

- e. Absence due to hospitalization of sole family member. When the family consists of only one member and that person leaves the home to go into a hospital or nursing home for a period of more than 90 Days, the assistance will be terminated. If a medical source documents that the person is expected to return to the unit in 90 days or less, the person shall continue to receive assistance. If the person is not back in the unit within 90 days, assistance will be terminated and must reapply for assistance.
- f. Absence of All Household Members. If all members of the household are absent for 90 cumulative days, but have not moved from the unit, assistance will be terminated. In order to determine if the family is, absent from the unit, the PHA may write letters to the family at the unit, telephone the family at the unit, interview the owner/landlord and neighbors, and/or verify if utilities are in service. In cases in which the family has moved from the unit, assistance will be terminated in accordance with the procedures set forth further in this Plan.
- g. Adult visitors. An adult may visit a unit for no more than fourteen (14) consecutive days per year. Adults exceeding this limit must be approved by the PHA before being considered a family member and added to the lease.
- h. Child visitors. Children under the age of eighteen (18) may visit a unit for a maximum of ninety (90) cumulative days per year without being considered part of the family, provided the family has the written permission of the owner/landlord.
- i. Joint Custody of Children. Children who are subject to a joint custody agreement but live in the unit at least fifty-one percent (51%) of the time will be considered members of the household. If the family includes a child who is temporarily absent from the home due to foster care, the standards in paragraph number 8 above will be used. For verifications purposes the PHA will require presentation of a copy of divorce decree or copy documents filed with the appropriate district clerk.

2. Earned Income

Earnings anticipated to be received in the twelve (12) months following the effective date of the certification will be annualized. To annualize income, the PHA will multiply:

- Hourly income by the number of hours worked in a year;
- Weekly income by 52 weeks, unless it is verified that less weeks will be worked;
- Bi-weekly income by 26 pay-periods;
- Semi-monthly by 24 pay-periods;
- Monthly by 12 pay-periods.

Where income is seasonal or fluctuates as to hours or rates, such as for teachers, construction workers, farmers or migrant workers, the PHA will use an average for twelve (12) months based on past income history of the family and such anticipated income that can be verified.

3. Temporary or Sporadic Income

Temporary or sporadic income is not counted in determination of annual income. Employment lasting less than thirty (30) days will be considered temporary. Sporadic income includes amounts that are neither reliable nor periodic.

4. Cyclical or Seasonal Work

When income varies due to cyclical or seasonal work, and the source of income has not changed from the previous year, the PHA may rely on the previous year's income to anticipate income for the coming year. Increases in pay rate over that of the previous year would be considered.

When anticipated income cannot be determined for a full twelve (12)- month period, the PHA will annualize current income and conduct an interim reexamination when income changes.

5. Net Income from Business or from Self-Employment

The net income from the operation of a business or self-employment is counted as income. Net income is the amount of business income received less expenses incurred. Deductions from business income can include business vehicle expenses, supplies and materials, staff salary and benefits, depreciation of assets. Any withdrawals of cash from the business will be considered income unless the withdrawal is reimbursements of cash or assets invested in the operation by the family. Expenditures for expansion or amortization of capital indebtedness are not used as deductions from income.

Business expansion includes substantially increasing the size of the business or branching out into adjacent areas that are not part of the original operation. Straight-line depreciation of assets is an allowable expense and can be verified through examination of the income tax forms filed for the business or financial statements. Similarly, the accounting records and financial statements can be used to determine the cash or assets invested in the business. This information can be used to determine whether or not a withdrawal is a reimbursement of investments in the business. If a business is co-owned by someone outside the household, financial statements and income tax returns can provide information to determine the level of net income to be attributed to the family from part ownership of the business.

6. Regular Contributions and Gifts

Regular contributions and gifts received from persons outside the household are counted as income for Tenant Rent calculation purposes. This includes rent and utility payments paid on behalf of the family and other cash or non-cash

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contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

For zero income families, the PHA may interview the tenant and review every thirty (30) days his or her current bills and receipts to determine the amounts paid for known household expenses and the sources of regular income, including in-kind contributions. This will be determined via a zero income questionnaire.

Third-party verification of income from regular contributions and gifts will be obtained whenever possible. If the party providing regular contributions refused to verify the information, the PHA will document the file. In this case, the head of household or member receiving the income will be asked to complete a Declaration of Regular Contributions.

7. Alimony and Child Support

Alimony and child support payments are counted as income for Tenant Rent calculation purposes. The amount awarded is counted unless the tenant can verify that they are not receiving that amount. Third-party verification of income from these sources is obtained by contacting the former spouse and/or the Child Support Recovery Unit. If the verification is not received within a reasonable amount of time, the PHA will allow the family to submit at least the last three (3) months of child support check stubs and/or complete a self-declaration statement.

8. Lump Sum Payments

Lump-sum payments received due to delayed start of periodic payments (e.g., unemployment, TANF, or child support) except Social Security and Supplemental Security Income benefits (which are not counted as income), whether due to disputes or processing problems, are counted as income in the following manner:

- a. If the lump sum amount is reported within thirty (30) days of the date it was received, the lump sum amount will not be taken into account prior to the next re-certification. If, at the next annual re-certification, the lump sum amount has been converted to an asset (i.e., placed in a savings account or invested), it will be treated like any other asset.
- b. If the lump sum is not reported within thirty (30) days, the increased income will be handled retroactively by adding the income to the annual income that was in effect when the payment was received, as long as the date is not prior to program participation. The Total Tenant Payment will be recalculated and compared to the previous Total Tenant Payment. The family has the choice of paying this "retroactive" rent to the PHA in a lump sum or entering into a Repayment Agreement with the PHA. The family officially owes this money to the PHA whether or not the family chooses to continue its participation in the Section 8 program.

Attorney fees may be deducted from lump-sum payments when the services were

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necessary to recover the lump-sum settlement and when the recovery does not include additional monies to pay the attorney fees.

Social Security and Supplemental Security Income benefits that are received in a lump sum or prospective monthly amounts are excluded from annual income. The lump sum payment may be treated as an asset.

9. Income from Assets

a. Assets Valued Over \$50,000

When assets owned by any family member (including minors) have a combined cash value of more than \$ 50,000, the PHA will use the greater of the actual income received from the asset(s) or the imputed income using the HUD passbook rate. HOTMA imposes a \$100,000 asset limit for eligibility and continued assistance. Additionally, families are ineligible for assistance if they own real property suitable for occupancy. The PHA has the option of delaying enforcement/termination of assistance for up to six (6) months if the family is over the asset threshold at the time of annual reexamination. The PHA may utilize this option on a case-by-case basis.

b. Assets Disposed of for Less than Fair Market Value

The PHA will count as an asset the difference between the market value and the actual amount received for assets disposed of for less than market value for two (2) years from date of disposition. An imputed income may be calculated if all assets total more than \$50,000.

c. Contributions to Retirement Funds

Under HOTMA, the value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals are excluded from the calculation of net family assets.

d. Educational Savings Accounts

Under HOTMA, the value of any account/s from the following list are excluded from the calculation of net family assets:

- Any Coverdell education savings accounts under section 530 of IRS code 1986,
- Any qualified tuition program under section 529 of IRS.
- Any Achieving a Better Life Experience (ABLE) account under section 529A of IRS
- Interests in Indian trust land
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982.

- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982.
- Family Self-Sufficiency (FSS) Accounts
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

10. Military (Armed Forces Pay)

The Military Pay of the head of household, spouse or co-head is included in annual income. All regular pay, special pay and allowances of member of the Armed Forces will be included in income (EXCEPTION: Special hazardous duty pay for a family member exposed to hostile fire is excluded.)

11. Public Assistance

Public assistance includes:

- Temporary Assistance to Needy Families (TANF);
- General Assistance.

Special calculations must be made for benefits received in “as paid” state or local programs.

“As paid” programs are those in which the family receives a specific amount for shelter and utilities and the amount is adjusted based upon the actual amount the family pays for shelter and utilities.

In “as paid” programs, the amount of welfare assistance income shall consist of:

- The amount of the grant exclusive of the amount specifically designated for shelter and utilities; plus
- 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 counted, as income is the actual amount received.

12. Imputed Welfare Income

The PHA will not reduce a family’s contribution rent if the family’s welfare benefits were reduced due to:

- a. welfare fraud; or
- b. failure to fulfill the Welfare Department’s economic self-sufficiency or work

Imputed Welfare income must be calculated if the Welfare Agency verifies in writing that a family has been sanctioned for one of the two reasons above. Under

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these circumstances, the PHA will not reduce the total tenant payment for the family. The amount of the sanction in welfare benefits is identified as imputed welfare income. The amount of the imputed welfare income plus other income received by the family is used to calculate the total tenant payment.

When new income to the household exceeds the imputed welfare income, the imputed welfare income is no longer considered in the determination of annual income.

The family will be offered an opportunity for an informal hearing. The PHA will determine through third-party written verification why the benefits were reduced or suspended before adjusting the income and rent. If welfare benefits expired and program requirements were met, the family income will be reduced to determine rent.

13. Payments in Lieu of Earnings

When payments in lieu of earnings cannot be anticipated for the twelve (12) months following examination, annualize the payments in lieu of

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earnings and conduct an interim recertification when income changes. Examples of payments in lieu of earnings may include:

- Unemployment;
- Disability payment (unless it is a lump sum payment);
- Workers' Compensation (unless it is a lump sum payment);
- Severance Pay (unless it is a lump sum payment).

Lump-sum health and accident insurance payment and Worker's Compensation are not counted as Income.

Periodic Payments and Allowances

The full amount of periodic amounts received from:

- Social Security
- Supplemental Security Income
- Annuities
- Insurance Policies
- Retirement Funds
- Pensions
- Disability or Death Benefits
- Alimony or Spousal Support
- Child Support
- Other Types of Periodic Receipts

The withdrawal of cash from an investment that is received as periodic payments (i.e. 401K, IRA) should be counted as income unless the family can document and the PHA verifies that amounts withdrawn are reimbursement of amounts invested. When a family makes a withdrawal from an account in which it has made an investment (such as an annuity or IRA), the withdrawals count as income only after the amount invested has been totally paid out.

If benefits (such as Social Security or Veteran's benefits) are reduced due to a prior overpayment, use the actual amount of the current allocation (before withholding for medical premiums).

If benefits are reduced due to other withholding, such as an IRS garnishment or child support garnishment, use the full award amount.

15. Income of Dependents

A dependent is a family member who is under 18 years of age, is disabled (regardless of age), or is a full-time student (regardless of age).

The head of household, spouse or co-head, foster-child, or live-in aide are never dependents.

Benefits and non-earned income of minors is counted in determining annual income. Earned income of minors is not counted.

Count only the first \$480 of earned income of full-time students age 18 and older who are not the head of household, spouse or co-head.

Count all non-earned income of full-time students except for the full amount of student financial assistance paid directly to the student (like work-study) or to the educational institution.

Count all income (earned and non-earned) of the head of household, spouse or co-head, even if he/she is a full-time student or a minor.

16. Income of a Live-in Aide

The income of a live-in aide is excluded from income provided that the person meets the live-in aide criteria established by HUD.

A live-in aide is a person who resides with one or more elderly or near elderly persons or persons with a disability and who:

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

This definition does not automatically exclude relatives. Husbands or wives for example may provide attendant care for spouses would not have their income excluded since they would be living in the unit and are legally responsible for support. An adult son, daughter or other relative would have their income excluded if they can demonstrate that they otherwise would be living elsewhere. Verification would involve a determination regarding whether the person previously lived outside the unit and moved back solely to take care of the family member, and has not resided in the unit for at least six (6) months.

Verification of need for live-in aide services should be obtained from qualified medical, health or social services/rehabilitation specialists. Verification of legal requirement for support includes marriage certificates, court ordered guardianship, or other legal documents requiring the attendant to be legally responsible for support of the person they care for. The PHA would have to verify residency of the attendant as being elsewhere through prior landlords, rental agreements or leases, rental receipts, utility bills in the attendant's name for another address, driver's license or other government issued ID, etc.

Live-in aides are not remaining members of a resident family and must vacate the unit if the person they care for vacates.

AVERAGING INCOME

There are two ways to calculate income when the income cannot reasonably be

anticipated for a full year:

14. Annualize current income (and subsequently conduct an interim reexamination if income changes); or
15. Average known sources of variable income to estimate an annual income (no interim adjustment is required if income remains as predicted).

Income from the previous year may be analyzed to determine the amount of anticipated income when future income cannot be clearly verified. If, by averaging, a reasonable estimate can be made, that estimate will be used to anticipate annual income over the next twelve (12) months, instead of changing the HAP every month as the income fluctuates.

C. FEDERALLY MANDATED INCOME EXCLUSIONS

Some amounts are prohibited from being included in a family's income for rent determination purposes. These amounts, called exclusions, are not part of Annual Income.

Excluded income is reported on form HUD-50058.

The PHA must obtain verification for income exclusion if, without that verification, a PHA would not be able to determine whether or not the income is to be excluded from Annual Income. Depending on the circumstances, any or all of the following may need to be verified:

- Source of excluded income;
- Circumstances that qualify a family member's income to be excluded;
- The amount of the exclusion.

1. Wages of Family Members Under Age 18

The full amount of income from employment of children (including foster children) under the age of 18 (excluding the head of household, spouse of head of household, or co-head).

2. Earnings in Excess of \$480 for Full-Time Students Over Age 18 (except Head of Household, spouse or co-head)

The first \$480 of earned income of each full-time student 18 years old or older (excluding the Head of Household, spouse or co-head) earned is counted in calculation of Annual Income.

3. Refunds or Rebates of Property Tax on Home

Amounts received by a family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit are excluded in the calculation of Annual Income.

4. Payments for Student Financial Assistance Paid Directly to the Student or

Educational Institution

The full amount of financial assistance, including grants, scholarships, educational entitlements, work-study programs and financial aid packages, are excluded in the calculation of Annual Income.

5. Lump-Sum Additions to Family Assets

Lump-sum additions to family assets, such as inheritances, health and accident insurance, worker's compensation, capital gains and settlements for personal or property losses are excluded in the calculation of Annual Income.

6. Lump-Sum Payments of Deferred Benefits

Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded in the calculation of Annual Income.

7. Amounts Set Aside for Use under PASS

Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) are excluded in the calculation of Annual Income.

8. Temporary, Non-Recurring, Sporadic Income

Temporary, non-recurring or sporadic income (including gifts) is excluded in the calculation of Annual Income.

Sporadic income is that which is not of a regular nature and which cannot be counted on continuing.

9. Medical Expenses

Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member are excluded in the calculation of Annual Income.

10. Income of Live-In Aides

All income of a live-in aide is excluded in determining annual income.

11. Adoption Assistance Payments in Excess of \$480 per Child

Count as Annual Income the first \$480 per child of adoption assistance payments.

12. Payments to Keep Developmentally Disabled Family Members at Home

Amounts paid by a State or local agency to a family with a member who has a

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developmental disability living at home is excluded in the calculation of Annual Income.

13. Payments Received for the Care of Foster Children or Adults

Payments received for the care of foster children or foster adults are excluded in the calculation of Annual Income. Foster Adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

14. Armed Forces Hostile Fire Pay

The special pay to a family member serving in the Armed Forces who is exposed to hostile fire is excluded in the calculation of Annual Income. All other pay to household members who are serving in the Armed Forces is included in income.

15. Foreign Government Reparation Payments

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 are excluded in the calculation of Annual Income.

16. Earnings and Benefits from Employment Training Programs Funded by HUD

Training programs funded by HUD will have goals and objectives. This is not to be confused with employment by the PHA.

17. Incremental Earnings and Benefits from Participation in Qualifying State and Local Employment Programs

Incremental earnings and benefits received by 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 are excluded in the calculation of Annual Income.

A qualified training program is one that is part of a State or local employment-training program and has clear goals and objectives. This would include programs that have the goal of assisting participants in obtaining employment skills, and are authorized or funded by Federal, State or local law, or operated by a public agency. These include programs through Department of Labor, Employment Training Administration, and Welfare-to-Work Grants.

Amounts excluded by this provision are excluded only for the period during which the family member participates in the employment-training program.

18. Reimbursement for Out of Pocket Expenses While Attending a Public Assisted Training Program

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

19. Resident Service Stipend not to exceed \$200 per Month for Services to the PHA

Amount received under a resident service stipend are excluded in the calculation of Annual Income.

A resident service stipend is a modest amount, not to exceed \$200 per month, received by a resident for performing a service for the PHA 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, ground maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board.

No resident may receive more than one such stipend during the same period of time.

The Public Housing Reform Act provides that the governing board of a PHA must generally contain at least one member who is directly assisted by the PHA. To support and facilitate implementation of this new statutory requirement, HUD has clarified that the resident service stipend exclusion covers amounts received by residents who serve on the PHA governing board.

20. The value of the allotment provided to an individual under the Supplemental Nutrition Assistance Program.

21. Payments to volunteers under the Domestic Volunteer Services Act which includes, but is not limited to:

- RSVP;
- Foster Grandparents;
- Senior Companion Program;
- VISTA;
- Peace Corps;
- Service Learning Program;
- Special Volunteer Programs;
- Small Business Administration programs such as National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience;
- Service Corps of Retired Executives (SCORE);
- Active Corps of Executives.

22. The first \$2000 of payments received under the Alaska Native Claims Settlement Act.

23. Income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes.
24. Payments or allowances under Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP).
25. Payments received under programs funded in whole or in part under the Job Training Partnership Act, now known as Workforce Investment Act.
26. Income derived from the disposition of funds of the Grand River Band of the Ottawa Indians.
27. The first \$2000 of per capita shares from judgment funds awarded by the Indian Claims Commission or the Court of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior.
28. The full amount of Federal scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work study programs or under the Bureau of Indian Affairs student assistance program.
29. Payments received from programs funded under Title V of the Older Americans Act of 1965 which includes, but is not limited to:
 - Senior Community Services Employment Program;
 - National Caucus Center on the Black Aged;
 - National Urban League;
 - Association National Pro Personas Mayors;
 - National Council on Senior Citizens;
 - Green Thumb.
30. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the Agent Orange product liability legislation.
31. Payments received under the Maine Indian Claims Settlement Act of 1980.
32. Child care arranged for or provided under the Child Care and Developmental Block Grant Act or any amount received for such care or reimbursement for costs incurred in such care.
33. Federal and State Earned Income Tax Credit refund payment.
34. Payments by the Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation.
35. The first \$2000 of income received by an individual Indian derived from interests or trusts or restricted land.
36. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.

37. Any allowance paid under provisions of 38 U.S.C 1805 to a child suffering from spina bifida who is the child of a Vietnam Veteran.
38. Any amount of crime victim compensation that the applicant (under the Victims of Crime Act) receives 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.
39. Amounts earned by temporary Census employees for determining income in the Department's assisted housing programs. Terms of employment may not exceed 180 days for the purposes of the exclusion.

**D. SELF-SUFFICIENCY INCENTIVE FOR PERSONS WITH DISABILITIES
(EARNED INCOME DISALLOWANCE)**

1. This disallowance of an increase in earned income only applies to families currently receiving housing assistance. To qualify the family is one:
 - a. Under HOTMA, Earned Income Disallowance will only be available to families that are eligible for and participating in the program as of January 01, 2024. No new families may be added to EID as of this date.
 - b. 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; or
 - c. 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
 - d. 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 (6) 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. The TANF program includes formula-driven maintenance assistance and such benefits and services as one-time payments; wage subsidies and transportation assistance-provided that the total amount over a six (6)- month period is at least \$500;
 - e. Previously unemployed includes a person with disabilities who has earned, in the twelve (12) months previous to employment, no more than would be received for ten (10) hours a week for fifty (50) hours per year at one established minimum wage.

Note: Receipt of Food Stamps and/or Medicaid is not part of the TANF program. If no TANF assistance is provided as listed above, the family will not qualify for the earned income disallowance under TANF provisions but may qualify under the remaining criteria. The PHA will verify receipt of benefit or services other than monthly maintenance with the TANF provider if the family indicates that their eligibility for the earned income disallowance is based on other assistance under TANF.

Incremental increases in earned income are excluded fully for the first twelve (12)-month period and 50% excluded for the second twelve (12)- month period. The PHA will maintain a log for each individual showing, if applicable, earning and benefits from qualified training programs, incremental earnings from increased employment for the first twelve (12)- month period and the second twelve (12)-month period. Since the total

window of opportunity for the earned income disallowance extends over twenty-four (24) consecutive months, the log will adequately reflect all periods of employment and non-employment, to assure the family member receives the benefit of each full twelve (12)-month period.

2. The disallowance of increase in earned income will be calculated as follows:

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

Example: The disabled family member receives SSI of \$500 per month. The disabled family member starts a job as a greeter at a local retail store for \$5.00 per hour, 20 hours per week. Assume for this example the SSI remains the same.

The first 12 months the income is as follows:

SSI: $\$500 \times 12 = \$6,000$

Work: $\$5.00/\text{hr} \times 20 \text{ hrs} \times 52 \text{ weeks} = \underline{\$5,200^*}$

\$6,000 Gross Annual Income

*this amount is excluded for 12 months.

- b. Phase-In Period. During the second cumulative twelve (12) month period after the date a family 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 PHA must exclude from the annual income of a qualified family member fifty percent (50%) of any increase in income of such family member as a result of employment over income of the family member prior to the beginning of such employment.

The second 12 months the income is as follows:

SSI: $\$550 \times 12 = \$6,600$

Work: $\$5.50/\text{hr} \times 25 \text{ hrs} \times 52 \text{ weeks} = \$7,150$

Excluded 50% - \$3,575

\$10,175 Gross Annual Income

- c. Maximum four-year disallowance. The disallowance of increased earned income of an individual family member who is a person with disabilities as provided in a. and b., above, is limited to a lifetime forty-eight (48) month period. The disallowance applies for a cumulative twelve (12) month period and the fifty percent (50%) exclusion for the second twelve (12)-month period.
- d. This exclusion does not apply to admissions.

Because only a person with disabilities is eligible for the earned income disallowance under the Housing Choice Voucher program, the PHA will discontinue the allowance for a qualifying person with disabilities who is no longer considered disabled at their next regularly scheduled recertification. A decision regarding “no longer disabled” will be verified through the Social Security Administration for SSI and SDI recipients or from a medical, health, or rehabilitation professional for those not receiving publicly funded benefits.

E. ASSETS

The PHA will determine the net cash value of each asset by deducting reasonable costs that would be incurred to convert the asset to cash from the market or face value of the asset.

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD's, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property; penalty fees for early withdrawal of IRA's, pensions and annuities.

If assets are held jointly in an “and” or an “or” account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The PHA must be able to verify the restriction.

Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

Assets include, but are not limited to trusts (only if a family member has access or control of the trust), joint accounts, investments, CDs, IRAs, Keogh, real or personal property or other annuities to which the family member has access even if penalties would be imposed for early withdrawal.

In determining the net cash value of assets, the PHA will treat assets as follows:

1. Trusts

Principal from a trust is not counted as an asset if the trust is not revocable by, or under the control of, any member of the family, so long as the fund continues to

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be held in trust. Any distributions are considered to be part of annual income. A lump sum distribution in total or in part will be added to all other income and divided by twelve (12) to obtain the gross monthly income. Verification of trust provisions should be contained in the original trust documents. If the documents cannot be obtained, verification should be obtained from the trustee (an individual or financial institution).

If a family sets up an irrevocable trust for the benefit of another person outside of the household, the PHA must determine whether or not the value of the trust is less than the fair market value of the assets contained therein had the family retained the asset. If that is the case, the fair market value less reasonable costs must be determined and the net value of the asset included in total assets. Any income the family receives from this trust will be included in annual income. Nominal amounts set aside in trust for or donated to charitable organizations up to \$1000.00 will not be considered assets disposed of for less than fair market value.

2. Joint Ownership

For joint ownership of assets, the PHA must determine the percentage of ownership attributable to the family member. Documents that may provide this information include deeds, tax returns, ownership papers, and financial institution records. These types of documents should, if applicable to the asset, describe whether the family member has full or restricted access to the asset. If restricted, the PHA will use only that portion of the asset available to the family member.

3. Investments

The family must maintain the original copies of receipts for purchases of stocks, bonds, etc. Another source is original periodic statements from brokers that reflect the cost basis of any investment holding which are liquidated. This information will provide the basis for determining reimbursement for amounts invested.

4. Retirement Benefits (CDs, IRAs, Keogh)

Retirement/pension accounts, while the household member is employed, are counted as assets only if there is access to cash from the account while employed. Similarly, if funds are held in the account with the principal restricted from access, only distributions from the fund are counted as income.

5. Checking and Savings Accounts

Checking and savings accounts are also considered as assets. The total amount in savings will be considered an asset unless the account is specifically designated under a plan for self-sufficiency for a person with a disability under Social Security Administration guidelines. Checking accounts

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are also assets under HUD guidelines; however, since most checking accounts are used primarily as a pass-through for receipt of income and payment of monthly household expenses, only the amount in the checking account in excess of \$1000.00 will be considered to be an asset. The PHA may grant an exception to this threshold if the family states and the PHA can verify that regular household expenses such as rent, utilities, food, etc., exceed that threshold. Verification of these accounts will be made through bank statements and passbooks. Bank statements for at least six (6) consecutive months will be requested for verification of balances in checking accounts. For threshold exceptions, original billings, rental receipts and related documents will be required.

Note: The interest from an interest bearing checking account is considered an asset.

6. Annuities

Annuities may provide for either fixed or variable payment. For variable payments, the PHA will evaluate historical information to determine the approximate anticipated payment amount for the next twelve (12) month period. This annualized income may be adjusted based on significant changes from the anticipated income. The holder of an annuity may withdraw the funds at any time before maturity but will pay a penalty for early withdrawal. Verification of the penalty amount may be obtained from the company holding the annuity and should be deducted from the total distribution before determining asset or income amounts. Monthly or periodic regular annuity payments are counted, as income while the principal of the annuity remains an asset until fully liquidated. Verification of any annuity expenses will be obtained from the annuity provider.

7. Net Cash Value of Assets Disposed of for Less than Fair Market Value for 2 Years from Date of Disposition

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD's, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property; penalty fees for early withdrawal of IRA's, pensions and annuities.

If assets are held jointly in an "and" or an "or" account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The PHA must be able to verify the restriction.

Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

8. Lump Sum Additions

Lump sum additions such as inheritances, insurance payments (including payments under health and accident insurance and Workers' Compensation, except those portions which are reimbursement for expenses paid out by the family or otherwise excluded by HUD regulation), capital gains and settlement for personal or property losses are counted as assets whether or not they are placed in savings or other investment vehicles. The PHA will verify payments of inheritances through the executor; health, accident and Workers' Compensation payments through the provider; capital gains through the broker, original 1099s or tax returns; and settlements for personal or property losses through the insurer.

Lump sum payments of \$500 or less will not be included in the calculation of assets.

F. HUD ALLOWABLE DEDUCTIONS
FURTHER CLARIFIED IN SECTION (V)-VERIFICATIONS REQUIREMENTS:
(K) VERIFICATION OF DEDUCTIONS FROM INCOME

HUD has five (5) allowable deductions from annual income:

1. Dependent Allowance: \$480 each for family members (other than the head, spouse or co-head) who are minors (including children who are adopted), and for family members who are eighteen (18) and older who are full-time students or who are disabled (foster children, foster adults, and children of live-in aides are not entitled to this deduction).
2. Elderly/Disabled Allowance: \$525 per family for families whose head, spouse or co-head is 62 or over or disabled.
3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.

IRS publication 502 will be used as guidance where questions arise as to an item's eligibility. This publication provides a complete listing and description of allowable medical and dental expenses that can be included as medical deductions. Where an expense item can be treated as either a medical or a disability assistance expense the PHA will calculate the expenses both ways and give the family the greater deduction.

4. Additional Income Exclusions under HOTMA
 - Amounts received from Medicaid or other state/local programs meant to keep a family member with a disability living at home
 - Veteran's aide and attendant care
 - Distributions of principal from non-revocable trusts, including Special Needs Trusts.
5. Allowable Disability Assistance Expenses: Deducted for attendant care or

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auxiliary apparatus for persons with disabilities if needed to enable the disabled person or another adult family member to work.

Disability assistance expenses are those reasonable expenses that are anticipated during the period for which annual income is computed for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled family member) to be employed. These expenses may not be paid to a member of the family nor reimbursed by an outside source.

The PHA must determine what is "reasonable" based on local conditions and costs as well as whether the expenses are directly linked to enabling the family member to work. Reasonable attendant care costs for the locality should be verified through a local social services agency which handles attendant care needs, or an Independent Living Center that assists families in matching attendants with disabled clients. In determining the reasonable cost for equipment, special apparatus or accessibility modifications, the family should provide estimates of costs for the PHAs use in evaluating what is "reasonable".

Attendant care includes the actual cost of providing an attendant to care for a disabled person either in the home or in the work place based on local standards for hourly pay or salary. Equipment may include but not be limited to providing a wheelchair (manual or electric) to allow the disabled individual the mobility to go from home to place of employment or to facilitate care in the home, ramps to provide access to and from the unit, modifications to a vehicle or special equipment to enable a blind individual to read or type, but only if this enables the disabled person or other family member to work, any other type of special equipment needed for mobility if the use thereof is demonstrated to be employment related for the disabled person or another family member. The amount allowed is limited to the amount that exceeds 3% of gross family income and does not exceed the amount earned as a result of the expense.

The PHA must be able to verify that there is a direct link between the disability assistance expenses claimed by the family and a family member (including the disabled family member) going to work. This will generally involve determining whether the employed family member was previously employed.

If more than one family member is enabled to work as a result of the incurring of disability assistance expenses, the PHA will verify the employment and combine the incomes of all working family members to establish the cap by which the expenditures are limited.

In some cases, purchased equipment, a computer with adaptation devices for the disabled individual, for example, will not be used exclusively for employment purposes. In such case, the PHA will require the family to certify as to the percentage of the time the equipment is used strictly for employment purposes and prorate the expense.

Example: A computer is purchased for the home and is used by the disabled person to perform medical billing or transcription. The disabled person certifies that 60% of the computer use is strictly related to the employment and 40% for other personal use. The cost of the computer, peripheral equipment (printer, software, etc.) and special adaptive devices is verified by original invoices and receipts to be \$2,400. The PHA would allow \$1440 as the disability assistance expense deduction provided that the income from the employment use of the equipment exceeds the expense cap.

If both childcare and disability expenses are needed to enable a person to work, the PHA will use the same employment income to justify the childcare allowance and the disability assistance allowance.

6. Childcare Expenses: Deducted for the care of children, including foster children under thirteen (13) years of age when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.

The following standards are the criteria for allowing childcare expenses as a deduction:

- a. Childcare to work: The maximum childcare allowed would be based on the amount earned by the person enabled to work. The "person enabled to work" is the adult member of the household who earns the least amount of income from employment. The childcare deduction may not exceed the amount of income earned by the person enabled to work.
- b. Childcare for school: The PHA will compare the number of hours the family member is attending school and base the reasonableness standard on the number of hours that the family member is attending school (with the addition of one hour travel time to and from school) versus the number of hours claimed for childcare. The number of hours for which the childcare deduction is allowed shall not exceed the school and travel time.
- c. Childcare to seek employment: The deduction for childcare to seek employment must not exceed the Annual Adjusted Income of the family member seeking employment. The deduction does not include transportation costs, or other expenses incurred, and is limited to one year per individual.

To claim the deduction, verification from the childcare provider must include the name, address, and phone number of the company or individual childcare provider, the names of the children being cared for, the number of hours for which childcare is provided, the rate of pay, and the typical yearly amount paid (taking into account school and vacation periods).

Verification from the job seeker must include documentation from an employment service agency and/or written verifications of interviews from potential employers.

Childcare expenses must be “reasonable” and may not exceed the amount of employment income that is included in annual income. The PHA will make a determination as to what is a reasonable rate for childcare based on local conditions and rates. The PHA will obtain information from the social services agency that certifies childcare providers, day care centers, federally funded after school programs, etc., and determine a scale of reasonable costs.

If the family has school age children who require care only before and/or after school hours, the PHA will consider payment for before and/or after school activities to be a reasonable expense in lieu of individual childcare.

At annual certification the PHA will determine the total anticipated childcare expense for the employed family members (including increases for care need during school breaks and summer vacations for school age children) and average the amount over twelve (12) months. Should there be a significant variation from the estimated amount the family may request an interim certification adjustment.

If childcare is required to allow one or more family members to be employed, the amount of the childcare expense may not exceed the total of earned income received by all family members. The amount of childcare expenditure must be reasonable if the purpose of the childcare is to allow a family member to actively seek employment or to further his or her education.

To qualify for childcare deductions under the provision of actively seeking employment, the family member may be a participant in an official job search program or may simply demonstrate independent job search activities. In either case, in order to verify the time spent in seeking employment, the PHA will require the family to maintain a log that reflects the following:

- The date and time of departure from home (including time needed to drop off children for childcare, if provided outside the home);
- The name and location of the prospective employer, unemployment office or employment agency;
- The name of the person(s) contacted and telephone number;
- The length of time for completion of the application, the interview, testing or other job search activity;
- The time the children are picked up and the time arrived at home;
- The name, address, telephone number and social security number of the childcare provider;
- The total amount paid for the childcare.

If multiple applications or interviews are held consecutively or on the same day, the above information should be provided for each prospective employer or agency. The PHA will use this information to verify the contacts and the eligibility of childcare expenses. Since job search activities may be irregular and not easily anticipated, the PHA may attempt a limited inclusion at the annual certification and conduct an interim examination after some actual expenditures have been incurred. In many instances, job search periods will be of limited duration, but in

some cases the job search period may be extended, especially if the type of employment sought is limited in availability, employment opportunities of any kind are scarce or the job skills needed are unusual.

To qualify for childcare deductions under the provision of furthering education, the family member must demonstrate that they are enrolled in some accredited or approved educational or training program. While the type of educational effort may vary widely and be either full-time or part-time, evidence of regular participation will be required and verified by the PHA. Furthering education can include but is not limited to; completing high school or equivalency (GED), trade school, Community or Junior College, four-year College, technical schools, ESL or basic education classes, apprenticeship programs, certificate programs, clerical school and even independent study, if the family member must access on-line educational programs out of the home. The family member must provide and the PHA verifies information on the type of educational program, the number of units or hours of participation, the name of the educational institution or training facility. The PHA will allow childcare expense coverage to include pick-up and drop-off of children at the provider's location. The PHA will also evaluate expenses which may exceed the norm if childcare must be provided evenings, nights or weekends for either educational or employment purposes.

The PHA will review the work hours or educational hours to assure that the combined employment or education hours plus pick-up/drop-off times are within a reasonable timeframe (generally determined to be no more than one hour before or after scheduled work hours or class times). Exceptions may be made for overtime, special seminars or testing, providing the PHA can verify the extended times.

Childcare expenses may be divided between two households in cases of split custody. If only one custodian is an assisted family, the cost of childcare will be pro-rated based on the percentage paid by each custodial parent. The cap on eligibility for childcare expenses allowed the assisted family would still be based on the earned income limitation.

One or more family members can engage in qualifying activities for childcare purposes as long as the limitations of reasonable expenses for job search and education and expenses not exceeding earned income for employment are applied.

The deduction for childcare is not given if an agency or person outside the household reimburses the expenses.

G. MINIMUM RENT

The minimum rent for HCV participants is \$50.00. All Voucher families will contribute the higher of thirty percent (30%) of monthly adjusted income or ten percent (10%) of monthly gross income, or the minimum rent toward the rent plus any rent above the applicable Payment Standard.

1. The minimum rent requirement may be waived under certain circumstances. Financial hardship status is to be granted immediately for ninety (90) days in the event of the following:
 - a. The family has lost eligibility or is awaiting an eligibility determination to receive federal, state or local assistance, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
 - b. The family income has decreased due to changed circumstances such as separation, divorce, abandonment;
 - c. One or more family members have lost employment;
 - d. The family would be evicted as a result of imposing the minimum rent requirement;
 - e. There has been a death in the family; or
 - f. There are other hardship situations determined by the PHA on a case by case basis, i.e. alimony, child support, child care hardship exemptions as determined by HOTMA, etc.

Financial hardship exemption only applies to payment of minimum rent - not to rent based on the formula for determining the Total Tenant Payment (TTP).

2. If tenant initiates a request for a hardship exemption that the PHA determines is temporary in nature:
 - a. If the hardship is determined to be temporary, minimum rent may be suspended, during the ninety (90) day period beginning on the day the request is made. At the end of the ninety (90) day period, the minimum rent is reinstated retroactively to the date of suspension and the HAP is again adjusted.
 - b. In the case of a temporary hardship, the PHA will allow the family a maximum of six (6) months to make payment of any delinquent minimum rent payments accrued during the suspension period. However, the family must execute a Repayment Agreement.
 - c. If the hardship is subsequently determined to be long-term, the PHA will retroactively exempt residents from the minimum rent requirement for the ninety (90)-day period.
 - d. Note that the PHA can only suspend the minimum rent contribution if the family is residing in a unit whose Gross Rent exceeds the Payment Standard, the family will be responsible for the excess rent.
3. Hardship determinations are subject to the PHA's Informal Hearing Process and families are exempt from any escrow deposit that may be required under regulations governing the hearing process for other determinations.

H. PRORATED ASSISTANCE FOR "MIXED" FAMILIES

1. Applicability

Prorated assistance must be offered to any “mixed” applicant or participant family. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

“Mixed” families that were a participant on June 19, 1995 and do not qualify for continued assistance must be offered prorated assistance. Mixed family applicants are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

2. Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

I. RENT BURDEN

1. Initial Rent Burden

The Rent Burden is the family's payment to the owner/landlord plus utility allowance. This total figure should be equal to or less than forty percent (40%) of the family's monthly adjusted income.

New admissions to the Housing Choice Voucher Program and continuing program participants who move to a new unit will not be allowed to pay more than forty percent (40%) of adjusted income for rent. If the rent burden of the selected unit is over forty percent (40%), the new admission family, or participant family who is moving, will be advised to seek a lower priced unit.

2. Family Moves

If a family requests to move out of the current unit to another unit and is eligible for continued assistance, the family will be issued a Housing Choice Voucher and will be subject to the new rent calculation and to the forty percent (40%) rent burden restriction.

3. Owner/landlord Increases in Rent

If an owner/landlord submits notice of an increase in rent for a contracted unit, and the resulting Tenant Rent exceeds forty (40) percent of the family's adjusted income, the family has the option to remain in the unit and pay the additional costs. The family may also submit a Notice to Move to the owner/landlord and request a Housing Choice Voucher to move to another unit.

J. ZERO INCOME FAMILIES

Families reporting no family income will be required to demonstrate how the family pays for necessary living expenses. If it is determined that the family is receiving

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regular monetary or non-monetary contributions and/or gifts from non- household members, the value of these gifts will be annualized to estimate income.

If it is determined that the family receives no income from gifts, contributions, or any other source, the family will be required to complete, sign, and date a statement of zero family income. Such families will be required to maintain all receipts for any expenses (e.g., food and clothing, utility bills) for the most recent three (3) months. This amount, excluding any food stamps or the PHA Utility Allowance payments, will be annualized to determine annual income. Zero income families may be reevaluated every thirty (30) days but at minimum every (90) days to determine if there are any new sources of income. The reevaluation may include an inquiry to the Department of Labor.

1. If a family reports that it does not have an income, the adult members will be required to sign a no income affidavit, and answer all questions on a zero income questionnaire and execute a temporary ninety (90) day interim recertification.
2. Family members 18-25 years of age who are attending school full time may not be required to report income status every ninety (90) days.
3. Where outside sources are paying bills or donating household goods on a regular basis, the value of these contributions will be included as annual income.

K. UTILITY ALLOWANCE, UTILITY REIMBURSEMENT PAYMENTS AND TENANT PAID UTILITY ACCOUNTS

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on the family's actual energy consumption. Changes in the allowance will be effective at the beginning of each calendar year.

The PHA's Utility Allowance Schedule is set up according to bedroom size and building type. The family will be given the HUD form 52667 with the adopted utility allowances for the area in which the subsidy is issued. The utility allowance schedule will include the allowances for all services for each type unit by bedroom size. When searching for a suitable unit, the family will be able to select the appropriate allowance and calculate the total utility allowance according to the unit selected and the utilities the family will be responsible for paying.

1. Utility Reimbursement Payments per 24CFR 960.253 & 982.514

Where families provide their own range and refrigerator, the PHA will provide an allowance for the range and refrigerator. Allowances for water, sewer and trash services are averaged the same as other utilities. Where the Utility Allowance exceeds the family's Total Tenant Payment, the PHA will provide a Utility Reimbursement Payment for the family each month for allowances that total more than \$15 dollars monthly. For allowances that are less than \$15.00 monthly the PHA will combine the amounts and pay Quarterly in the months of March, June, September and December. A family can request a Hardship

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exemption in writing as per 24CFR5.630 (b) (2), family requesting Hardship exemption will be reimbursed monthly. The check will be made out directly to the tenant.

2. Utility Allowance Survey

The PHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

Tenant Paid Utility Accounts

Tenant paid utility accounts must be established in the name of the Head of Household or another adult family member who is part of the family who will be residing in the unit under contract. Any Tenant paid utility service which is disconnected due to failure to keep the account current will declare the unit substandard and out of compliance. Tenant must re- connect service within 24 hours of notification of non-compliance status or notice of program termination will be issued.

The McAllen Housing Authority will not be responsible for any damage that may occur due to lack of utilities to the unit which is the result of the Tenant not being current with their utility accounts.

L. TOTAL TENANT PAYMENT EXCEEDS GROSS RENT/ZERO HAP ASSISTANCE

Families whose Total Tenant Payment exceeds the Gross Rent of the occupied unit may remain on the PHA's Section 8 program for six (6) months from the effective date of the zero assistance. This will not be considered a break in continued assistance. The family may remain in the same unit and pay rent for six (6) months before being removed from the program. If the family's income decreases or the unit rent increases within the six (6)-month period, the family will be reinstated into the program without applying to the waiting list.

The family may request to move to another unit by giving the PHA and the owner/landlord a thirty (30)-day written notice to vacate. The family must pay the rent during the thirty (30)-day period. The PHA will issue the family a Voucher to move at the end of the notice period. If the family moves from the current unit within the six (6)-month period without giving proper written notice, that is a violation of the lease as well as family obligations, a Voucher will not be issued and the family will be terminated from the program. If assistance is terminated, for violation of family obligations, the family is ineligible for rental assistance for up to three (3) years from the date of termination.

V. VERIFICATION REQUIREMENTS

A. GENERAL REQUIREMENTS

The verification requirements described in this section are applicable to initial screening for eligibility, initial certification, interim recertification and annual recertification.

The PHA will use up-front or third-party verification of all information whenever possible and the return envelope will be retained in the resident's file. Two documented attempts to obtain Third-Party Verification should be made before another form of verification is used. The PHA will send verification forms in the mail along with a request that the form be returned by fax or mail. If up-front or third-party documentation is not available, the reason must be documented in the file.

While there is no regulatory limit on the acceptable age of verifications, PHAs historically use only verified information that is less than ninety (90) days old on the effective date of admission or recertification. Verified information obtained after application intake that is less than ninety (90) days old need not be re-verified. Verifications may be extended for an additional thirty (30) days with a telephone update. (A record of the update, including the name and title of the individual contacted, must be placed in the applicant's file.) Verified information not subject to change (such as a person's date and place of birth) need not be re-verified.

Information obtained that is subject to change and for which verifications are more than ninety (90) days old, should be re-verified. HUD requires that verification forms to support PHA's admission decisions be placed in the applicant's (and subsequently, the tenant's) files. Information that is subject to change, such as income, assets, family composition, etc. should be verified close to certification or recertification. Preferences must be verified once, just before admission. It is up to the PHA to decide the acceptable term of the verification and whether re-verifications are needed.

B. TIERS OF VERIFICATION ACCEPTABLE TO HUD

Information will be verified in order through the five tiers of verification listed below.

1. Enterprise Income Verification

The PHA will utilize enterprise income verification (EIV) as it becomes available. The PHA will perform the computer matching prior to the certification or recertification interview. Information obtained through EIV will be compared to documents provided by the participant/tenant. When there is a substantial difference (substantial difference is defined as a difference of more than \$200 per month), the PHA will resolve the

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discrepancy by contacting the source of the income directly. When there is not a substantial difference the PHA will use the higher of income verified through EIV or documents provided by the participant/tenant. The PHA will begin using EIV when notified of the availability by HUD. Note: Under HUD HOTMA final rule, the PHA will use EIV for income verifications for annual reexaminations and may (at the PHA discretion) use EIV for income verifications during interim reexaminations, if necessary.

Where available, computer matching may be done utilizing the following sources:

- a. HUD's Tenant Assessment Subsystem (TASS) for up-front Social Security and SSI verifications;
- b. State Wage Information Collection Agencies (SWICA);
- c. The New Hire Directory;
- d. The Work Number (or similar sites) for employment verifications;
- e. A credit report for all adults at initial certification and/or recertification.

2. Third-Party Written Verification

Written third-party verification is required to substantiate representations made by an applicant or participant/tenant for factors affecting income and rent. Note:

Verifications received through the US mail, personally hand delivered by the third-party, or received electronically via fax or e-mail directly from the source is considered third-party written verifications.

As enterprise income verification is received from an independent source it meets the requirement for third-party written verification.

Third-party verification forms will not be hand carried by the family under any circumstances.

The applicant/participant never touches the verification. The source providing the information returns it by mail, by fax or in person.

In the event the third-party has not responded within ten (10) business days after sending out the second written request for verification, document the supplemental data sheet and proceed to contact the appropriate parties by telephone to obtain the required information.

3. Third-Party Oral Verification

Telephone verifications may be used to substantiate representations made by an applicant or participant when two documented attempts to obtain third-party written verifications have been made without success. Note: Under HUD

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COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the PHA may accept a self-certification to verify income or other program requirement through December 31, 2021.

Third-party oral verification will be used when the PHA has documented that third-party written verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a verification form noting with whom they spoke, the date and any facts provided during the conversation. Each question on the original verification form will be asked. Information obtained from third-party contacts will be compared to any documents provided by the family. If third-party oral verifications are obtained via telephone, the PHA MUST originate the call. Document each attempt to obtain third-party oral verification.

4. Review of Documents

Verifications delivered to the PHA by the applicant/participant ARE NOT CONSIDERED third-party verifications. On a provisional basis, the PHA may review documents provided by the applicant/participant as verification when the PHA is unable to obtain third-party verification. Before review of documents is accepted as the sole source of verification, the PHA will document the file as to why third-party written or third-party oral verification was not obtained.

Original authenticate documents provided by the family may be used when third-party verification is not available or has not been received within ten (10) business days, if the documents provide complete information.

Original computerized printouts from the following organizations will be accepted as participant/tenant provided documents when the PHA cannot obtain third-party written verification:

- a. Social Security Administration;
- b. Veterans Administration;
- c. Welfare Assistance;
- d. Unemployment Compensation Board;
- e. City or County Courts; and
- f. Child Support Enforcement Agency.

All such documents, will be photocopied and retained in the applicant's file. In cases where documents are viewed which cannot be photocopied, staff viewing the documents will complete a Documents Viewed Form. All copies of original documents will be marked "Copied from Original".

The following documents may be accepted from the family provided that the document is such that tampering would be easily noted:

- a. Six (6) consecutive wage payment stubs (originals only);
- b. Computer printouts from:
 - Employer;
 - Social Security Administration;

- Veterans Administration;
 - Welfare Assistance;
 - Unemployment Compensation;
 - City or County Courts; and
 - Child Support Enforcement Agency.
- c. Signed Letters (provided the information is confirmed by phone).

The PHA will accept faxed documents only if they contain contact information (such as written on letterhead) for verification of authenticity. Photocopies will not generally be accepted.

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

5. Self-Certification/Self-Declaration

The PHA will accept a certification/self-declaration only when no other form of verification is available. A certification/self-declaration, as used throughout this Plan, means a sworn affidavit witnessed under penalty of perjury. The PHA may attempt to verify the information contained in the certification/self-declaration.

Under HOTMA, self-certification for net assets will be accepted when a family's net assets are estimated to be at \$50,000 or less, with that amount adjusted annually by the CPI-W inflationary factor (Consumer Price Index for Urban Wage Earners and Clerical Workers).

C. INFORMATION TO BE VERIFIED

The following information must be verified:

1. Preferences applicable to placement on and selection from the waiting list based on the selection preferences adopted by the PHA.
2. Zero and/or sporadic income status of household. Zero and/or sporadic income applicants and participants will be required to complete a family expense form at each certification or recertification. Every zero and/or sporadic income resident will be required to meet with their caseworker for an interim recertification every ninety (90).
3. Full-time student status including High School students who are eighteen (18) years of age or older;
4. Current assets including assets disposed of for less than fair market value in the preceding two years;
5. Childcare expenses when it allows an adult family member to be

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employed; look for work, or further his/her education;

6. Total medical expenses of all family members in households whose head, spouse, or co-head is elderly or disabled;
7. Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus that allow any adult family member, including the person with the disability, to be employed;
8. Legal identity;
9. U.S. citizenship/eligible immigration status;
10. Social Security Numbers for all family members of age 6 and older, for under the age of 6 the PHA may grant a 90 day waiting period to present SSN, one (1) 90 day me be granted in the PHA determines that, in its discretion, the applicant's failure to comply was outside the control of the applicant;
11. Familial/Marital status when needed for head, spouse, or co-head definition;
12. Disability for determination of allowances, deductions or requests for accommodation including need for a live in aide;
13. Time spent seeking employment when childcare is claimed for the activity;
14. All sources of income.

D. RELEASE OF INFORMATION

As a condition of admission to, or continued occupancy of, any assisted unit, the PHA will require the family head and such other family members eighteen (18) years of age and older to execute a HUD-approved release and consent form authorizing any depository or private source of income, or any Federal, state or local agency, to furnish or to release to the PHA and to HUD such information as the PHA or HUD determines to be necessary. This includes a consent form for release of criminal/sex offender status information signed by each adult household member. The PHA will furnish applicants and participants a Release of Information/Privacy Act Notice [HUD-9886 (7/94)] when collecting information to verify income. Refusal to cooperate with the HUD prescribed verification process as outlined in this Plan and HUD regulations will result in denial of admission or termination of tenancy. As per HOTMA regulations, effective **January 1, 2024**, a participant or applicant in the HCV program must sign and submit consent forms at their next interim or regularly scheduled income reexamination. After all applicants or participants over the age of 18 in a family have signed and submitted a consent form, they are not required to submit subsequent consent forms at the next interim or regularly scheduled income examination except under the following circumstances:

- When any person 18 years or older becomes a member of the family, that family member must sign and submit a consent form.

- When a member of the family turns 18 years of age, that family member must sign and submit a consent form.
- Any other instance as required by HUD or the PHA in administrative instructions.

E. AUTHORITY TO OBTAIN CRIMINAL HISTORY RECORDS

The PHA is authorized by 24 CFR part 5, subpart J to obtain criminal conviction records from a law enforcement agency and to use those records to screen applicants for admission to covered housing programs.

24 CFR part 5, subpart J, §5.905 states that a PHA that administers a Housing

Choice Voucher program must carry out background checks necessary to determine whether a member of a household applying for admission to any federally-assisted housing program is subject to a lifetime sex offender registration requirement under a State Sex Offender Registration program.

F. PERMITTED USE AND DISCLOSURE

The use and disclosure of criminal records/sex offender registration records received by the PHA may only be used for applicant screening and/or termination of assistance. The PHA may disclose criminal conviction records as follows:

1. To officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information. For example, if the PHA is seeking to terminate assistance to a Housing Choice Voucher participant on the basis of criminal activity/sex offender status as shown in criminal conviction records, the records may be disclosed to PHA employees performing functions related to the termination, PHA attorney processing an eviction action or to the PHA hearing officer conducting an administrative grievance hearing concerning the proposed termination.
2. If the PHA obtains criminal records from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening or tenant lease enforcement or termination of assistance, the PHA must:
 - notify the head of household of the proposed action based on the information obtained; and
 - provide the subject of the record and the applicant or Voucher participant a copy of such information and an opportunity to dispute the accuracy and relevance of the information.

Note: This opportunity must be provided before a denial of admission, lease enforcement action or termination of assistance on the basis of such information.

3. Any other negligent or knowing action that is inconsistent with the statute or regulations. Conviction for a misdemeanor and imposition of a penalty of not more than \$5,000 is the potential for:
 - Any person, including an officer, employee, or authorized representative of a PHA who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of the PHA under false pretenses;
 - Any person, including an officer, employee, or authorized representative of a PHA who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive the information.

4. A PHA may be liable under civil law to any applicant for, or Voucher participant of the PHA who is affected by either of the following:
 - A negligent or knowing disclosure of criminal records information obtained under statutory authority about such person by an officer, employee, or authorized representative of a PHA if the disclosure is not authorized under the statute or regulations;
 - An applicant for, or assisted participant of the PHA may seek relief against the PHA for inappropriate disclosure by bringing a civil action for damages and such other relief as may be appropriate. The United States district court in which the applicant or participant resides, in which the unauthorized action occurred, or in which the officer, employee, or representative of a PHA alleged to be responsible resides, has jurisdiction. Appropriate relief may include reasonable attorney's fees and other litigation costs.

G. RECEIPT OF INFORMATION FROM LAW ENFORCEMENT AGENCIES

When the law enforcement agency/state registration entity receives the PHA's request, the agency must promptly release to the PHA a certified copy of criminal conviction records concerning the household member they have in their possession or under their control. National Crime Information Center (NCIC) records must be provided in accordance with NCIC procedures.

The law enforcement agency may charge a reasonable fee for this service but any fee charged by the agency for this service may not be passed on to the applicant.

H. RECORDS MANAGEMENT

1. The PHA has established and implemented a system of records management that ensures that records received from a law enforcement agency are:
 - maintained confidentially;
 - not misused or improperly disseminated;
 - destroyed once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation.
2. The records management requirements do not apply to sex offender registration information that is public information or is obtained by the PHA other than from a State or local agency responsible for the collection or maintenance of such information.

I. VERIFICATION OF INCOME

All Income will be verified. This may include, but not be limited to the following:

1. Gross Employment Income of all Household Members;

2. Social Security, Pensions, SSI and Disability Income;
3. Unemployment Compensation;
4. Welfare Payments or General Assistance;
5. Alimony or Child Support , Monetary or Not;
6. Net Income From a Business, Including Childcare and Home Sales;
7. Recurring Monetary Contributions and Gifts;
8. Zero and/or Sporadic Income Status;
9. Full-Time Student Status;
10. All Income Excluded by Federal Mandate will be Verified for Reporting Purposes Only.

J. ASSETS AND INCOME FROM ASSETS

All assets to which any household member has access and Income from assets will be verified. This may include, but not be limited to the following:

1. Checking Accounts;
2. Current Savings Accounts and Certificates of Deposit of all Household Members;
3. Property Owned or Financed by Household Members;
4. Cash Value of Life Insurance Policies;
5. Retirement/Pension Funds;
6. Assets Disposed of for Less than Fair Market Value in Previous 24 Months.

K. VERIFICATION OF DEDUCTIONS FROM INCOME

1. Childcare Expenses-Reasonable Limits

The PHA will verify:

- Eligibility for Childcare Expenses;
- Cost for Childcare:
 - Day Care Center: \$ 85.00 per child;
 - After School Care: : \$ 70.00 per child;
 - In Home Childcare: \$ 70.00 per child;

- Other: \$ 70.00 per child;
 - If childcare is required for education or to actively seek employment childcare costs must be reasonable. The following limits apply for reasonable childcare (exceptions may be made on a case-by-case basis for unusual circumstances or disabilities): Limits - \$ 75.00;
 - If childcare is required for employment, childcare expense will be capped by employment income.
- Childcare for actively seeking employment is allowed if the resident provides verifiable documentation of his/her efforts to seek employment away from home. Childcare will not be provided for time spent seeking employment via home computer.

2. Medical and Handicapped Assistance Expenses

Families who claim medical expenses or expenses to assist a person with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source, as well as, proof of reimbursement of all medical expenses. Reimbursement of medical expenses must be reported on form HUD- 50058.

3. Disability Assistance Expense Deduction

Families are entitled to deduction for un-reimbursed expenses for care attendants and auxiliary apparatus expenses for a member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including member disabled) to work. The allowable disability assistance expense is that portion that exceeds three percent of annual income. This deduction may not exceed the earned income received by family members who are eighteen (18) or over, and who are able to work because of such attendant care or auxiliary apparatus.

The PHA will verify:

- the disability;
- the un-reimbursed expenses for care or apparatus;
- whether the expense is directly related to enabling employment;
- income earned due to the care or apparatus.

L. VERIFYING NON-FINANCIAL FACTORS

Non-financial factors that must be verified include, but are not limited to:

1. Legal Identity; For security reasons, verification of legal identity may include a digital photo of every adult household member uploaded into the PHA's housing management software and participant's digital profile at the discretion of the PHA.

2. Marital Status: if Divorced provide Divorce Decree;
3. Familial Relationships;
4. Permanent Absence of Adult Member;
5. Change in Family Composition;
6. Disability;
7. Funds Owed the PHA or Other Housing Authorities;
8. Social Security Numbers

The PHA will require the applicant to provide Social Security Numbers for all family members or certify that no Social Security Number has been issued due to non-citizen status;

9. Citizenship and Non-Eligible Immigration Status.

VI. BRIEFING OF FAMILIES AND ISSUANCE OF HOUSING CHOICE VOUCHERS

A. BRIEFING NOTICE

Notices of the briefing session are sent to eligible candidates no less than 7-days in advance of the briefing session. If the applicant fails to appear, he/she will be rescheduled for the next briefing session. If the applicant fails to appear a second time, the application will be withdrawn. The applicant family can reapply when the PHA is accepting applications. under HUD COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the PHA may conduct briefings by other means such as a webcast, video call, or expanded information packet

B. BRIEFING TOPICS

The briefing must include information on the following subjects:

- a. A description of how the program works;
- b. Family and owner/landlord responsibilities;
- c. Where the family may lease a unit, including renting a dwelling unit inside or outside the PHA's jurisdiction;
- d. An explanation of how portability works:

The PHA may not discourage the family from choosing to live anywhere in the PHA's jurisdiction, or outside the PHA's jurisdiction under portability

procedures.

- e. An explanation of the advantages of moving to areas outside of poverty or minority concentration.
- f. Tips on how to find a suitable unit and family considerations when deciding whether to lease a unit.

C. CONTENTS OF BRIEFING PACKET

When a family is selected to participate in the program, the PHA will give the family a packet that includes the following information:

- 1. The initial time to locate a unit and PHA policy on any extensions or suspensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension;
- 2. How the PHA determines the housing assistance payment for a family including prorated assistance for mixed families who have one or more ineligible family members according to the restrictions on assistance to non- citizen rule;
- 3. Payment standard and the PHA's Utility Allowance Schedule;
- 4. How the PHA determines the maximum rent for an assisted unit;
- 5. All HUD required forms including Violence Against Women Act (VAWA) forms.
- 6. What the family should consider in deciding whether to lease a unit, including:
 - The condition of a unit;
 - Whether the rent is reasonable;
 - The cost of any resident-paid utilities and whether the unit is energy-efficient; and
 - The location of the unit, including proximity to public transportation, centers of employment, schools and shopping.
- 7. Where the family may lease a unit. For a family that qualifies to lease a unit outside the PHA's jurisdiction under portability procedures, the information packet must include:
 - an explanation of how portability works; and
 - a list of neighboring housing agencies with the name, address and telephone number of portability contact person at each for use by families who move under portability.
- 8. The HUD-required "lease addendum." The lease addendum is the language that must be included in the lease;

9. The Request for Tenancy Approval form and an explanation of how to request PHA approval to lease a unit;
10. A statement of the PHA policy on providing information about a family to prospective owners/landlords;
11. PHA subsidy standards, including when the PHA will consider granting exceptions to the standards;
12. The HUD brochure on how to select a unit;
13. The HUD lead-based paint (LBP) brochure;
14. Information on Federal, state and local equal opportunity laws, and a copy of the housing discrimination complaint form;
15. A list of owners/landlords or other parties known to the PHA who may be willing to lease a unit to the family, or help the family find a unit;
16. Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the PHA that may be available;
17. Family obligations under the program;
18. The advantages of areas that do not have a high concentration of low-income families.
19. The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act;
20. PHA informal hearing procedures. This information must describe when the PHA is required to give a participant family the opportunity for an informal hearing, and how to request a hearing;
21. A map showing areas representing various income levels of the jurisdiction and surrounding areas for the purpose of expanding housing opportunities for families.
22. A list of properties or property management organizations that own or operate housing units outside areas of poverty or minority concentration;
23. HQS Checklist- A list of items that commonly fail in an HQS inspection;
24. Procedures for notifying the PHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair;
25. Requirements for reporting changes between certifications;

26. Information on security deposits.
27. Contact information for PHA staff and local social service agencies; and

D. EXTENSIONS AND SUSPENSIONS

1. The initial period to locate a unit expires at the end of sixty (60) days from the date of issuance, unless the family has submitted a Request for Tenancy Approval. In order to have the time extended for a period not to exceed an additional sixty (60) days, the family must request the extension in writing. All requests for extensions should be received prior to the expiration date. VASH Vouchers have one hundred and twenty (120) days to locate a unit.
2. The PHA staff will review with the family the efforts it has made to find a suitable dwelling unit and the problems it has encountered. The staff shall offer advice or assistance which may be helpful in assisting the family locate appropriate and affordable housing. If the PHA determines there is a reasonable possibility that the family cannot locate suitable housing, the PHA will grant an extension for an additional amount of time. In no event shall the time be extended beyond the maximum time limit allowed by Federal regulations.
3. The PHA may grant a family a suspension of the term if the family has submitted a Request for Tenancy Approval during the term.

E. OCCUPANCY STANDARDS (pursuant to Federal Register, December 22, 1998)

1. The PHA's occupancy standards are listed below:

PHA Occupancy Standard List

Size	Minimum # of Persons	Maximum # Persons
0 BR	1	1
1 BR	1	3
2 BR	2	5
3 BR	3	7
4 BR	4	9

Exceptions to the above will be reviewed by the Executive Director and may be allowed depending upon individual circumstances. under HUD COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the PHA may allow a current participant that needs to add a member or members to the assisted household as a result of the COVID-19 pandemic, and the additional family members would result in the unit not meeting the space and security standards. This provision does not apply to an initial or new lease. A participant must not enter into

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a new lease for a unit that does not comply with the space and security standards.
For any family occupying a unit that does not meet the space and security requirements pursuant to this waiver, the waiver will be in effect for the duration of the current lease term or as extended by HUD.

A participant may select a smaller size unit than the size listed on their Housing Choice Voucher. However, the Payment Standard for the smaller size unit shall be utilized.

2. Voucher Issuance

The payment standard for the assigned subsidy size determines the maximum subsidy allowed for a participant. This standard is determined by assigning the number of bedrooms the family requires to accommodate the family composition and the number of family members in the applicant household. The assignment of the bedroom unit size is for the purpose of setting the allowable subsidy standard for the family and does not dictate the bedroom size unit the family may select as its housing choice. The following guidelines are used to determine each family's assigned subsidy size without overcrowding or under-housing.

The aforementioned standard is based on the assumption that: (a) no more than two persons will be required to share a bedroom; (b) persons of the opposite sex over the age of four (4), other than husband and wife will not be required to share a bedroom; (c) children of the same sex will share a bedroom; (d) adults of the same sex will share a bedroom; however, adults of a different generation, i.e. mother, grandmother, may be permitted separate bedrooms; and (e) a live-in aide may be permitted a separate bedroom. Separate bedroom requests require a completed Reasonable Accommodations Request form.

The family composition as indicated on the application for assistance is used in determining bedroom size. The PHA will consider the status of a pregnant woman, children in the process of being adopted, and children who are temporarily in foster care or whose custody is being obtained in the determination of the appropriate subsidy size. A family may request an exception to occupancy standards when a licensed professional clinician documents, for specific reasons, the need for separate bedroom accommodations.

Exceptions to the above will be reviewed by the Executive Director and may be allowed depending upon individual circumstances.

VII. HOUSING QUALITY STANDARDS AND INSPECTIONS

A. APPLICABLE QUALITY STANDARDS

Any housing unit contracted with the PHA will meet the minimum Housing Quality Standards (HQS) as set forth in 24 CFR 982.401. Local housing codes adopted by PHA must meet or exceed HQS requirements. When adopting Local Codes, the PHA will assure that the choice of housing will not be restricted by using those codes.

B. INITIAL HQS INSPECTION

1. The Initial Inspection will be conducted to:
 - a. Determine if the unit and property meet the HQS defined in this Plan.
 - b. Document the current condition of the unit to assist in future evaluations as to whether or not the condition of the unit exceeds normal wear and tear.
 - c. Document the information to be used for determination of rent-reasonableness.
2. If the unit fails the initial Housing Quality Standards inspection, the family and owner/landlord will be advised to notify the PHA once repairs are completed.
3. The owner/landlord will be given up to thirty (30) days to correct the items noted as Fail, at the Inspector's discretion, depending on the amount and complexity of work to be done.
4. The owner/landlord will be allowed up to two (2) re-inspections for repair work to be completed.
5. If the time period given by the Inspector to correct the repairs has elapsed, or the maximum number of failed re-inspections has occurred, the family may select another unit within the time limit remaining on the Voucher or of the Request for Tenancy Approval submission date.
6. For PHA's with 1250 or less units, the inspection should be made within fifteen (15) days from the date the unit is available for inspection.
7. For PHA's with 1250 or more units, the inspection should be made within a "reasonable period" of time.

C. ANNUAL HQS INSPECTIONS

1. Annual inspections shall be conducted prior to the anniversary day of the previous Annual or Initial Inspection date.

2. HQS deficiencies which cause a unit to fail must be corrected by the owner/landlord unless it is a fail for which the tenant/participant is responsible.
3. The family must allow the PHA to inspect the unit at reasonable times with reasonable notice.
4. Reasonable hours to conduct an inspection are between 9:00 a.m. and 4:00 p.m.
5. The family shall be notified in writing at least one (1) day prior to the inspection.
6. If the family does not contact the PHA to reschedule the inspection, or if the family has missed two (2) inspection appointments, the PHA will consider the family to have violated a Family Obligation and their assistance may be terminated in accordance with the termination procedures in this Plan.
7. The PHA may implement Bi-Annual Inspections on units within developments it finds consistently do not have; life-threatening deficiencies, & elderly household units historically non-deficient. Units will be identified based on the 3 satisfactory previous inspections. These units may complete a self-recertification of compliance but may be suspect to inspections if PHA feels it is in the best interest of the Tenant and the PHA. Under HUD COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the PHA may delay biennial inspections for both tenant based and project based units, and instead the PHA may rely on a landlord/owner's certification that the owner has no reasonable basis to have knowledge that life threatening conditions exist in the unit or units in question.
8. Time Standards for Repairs
 - a. Life-threatening HQS fail items must be corrected by the owner/landlord or resident, if responsible, within twenty-four (24) hours of notification.
 - b. For non-emergency items, repairs must be made within thirty (30) days.
 - c. Extensions may be granted in lieu of abatement in the following cases:
 - There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
 - The repairs are expensive (such as exterior painting or roof repair)

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- and the owner/landlord needs time to obtain the funds;
- The repairs must be delayed due to climate conditions;
 - The extension will be made for a period of time not to exceed thirty (30) days. At the end of that time, if the work is not completed, the HAP may be abated or the contract terminated.

D. SPECIAL/COMPLAINT INSPECTIONS

1. If at any time the family or owner/landlord notifies the PHA that the unit does not meet Housing Quality Standards, an inspection may be conducted.
2. The PHA may also conduct a special inspection based on information from third-parties such as neighbors or public officials.
3. The PHA may inspect only the items which were reported, but if the Inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.
4. The PHA will provide the owner/landlord a notice with a copy of the inspection report identifying the HQS violations. The notice will specify the time allowed for corrective action and tell the owner/landlord to contact the PHA when the unit is ready for re-inspection.
5. If the tenant/participant is responsible for repairs they will be notified of the time allowed to take corrective action.
6. If the anniversary date is within 120 days of a special inspection, the special inspection may be categorized as “Annual” and all annual procedures will be followed.

E. QUALITY CONTROL INSPECTIONS

1. Quality Control inspections will be performed by a supervisor or other qualified staff member using the same minimum sample size as is now required for other supervisory quality control reviews pursuant to the SEMAP regulations. The purpose of Quality Control inspections is to ascertain that each Inspector is conducting accurate and complete inspections, and to ensure that there is consistency among Inspectors in application of the HQS. Under HUD COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the PHA may delay quality control inspections through December 31, 2021 or by any approved HUD extension.

2. The results of the inspection are reviewed with the Inspector.
3. Housing Quality Standards Control Inspections Reports are compared with Annual Inspection Reports recently completed by inspection staff. Discrepancies between the two (2) inspection reports are evaluated. Discrepancies categorized as Inspector error are catalogued and reviewed with the Inspector. The review is to be instructional and informational, not punitive.

F. LIFE-THREATENING HQS DEFICIENCIES

1. Items of an emergency nature must be corrected by the owner/landlord or resident, whoever is responsible, within twenty-four (24) hours of notice by the Inspector.
2. If the emergency repair item(s) are not corrected in the time period required by the PHA and the owner/landlord is responsible, the housing assistance payment will be abated and the HAP contract may be terminated.
3. If the emergency repair item(s) are not corrected in the period required and it is an HQS breach that is a family obligation, assistance to the family may be terminated.

G. CONSEQUENCES IF OWNER/LANDLORD IS RESPONSIBLE (NON-EMERGENCY ITEMS)

1. When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner/landlord is responsible for completing the necessary repair(s) in the time period specified by the PHA, the assistance payment to the owner/landlord will be abated.

A Notice of Abatement will be sent to the owner/landlord informing of the abatement for failed inspection.

- a. The PHA may inspect abated units within three (3) days of the owner's/landlord's notification that the work has been completed.
- b. If the owner/landlord makes repairs during the abatement period, payment will resume on the day the unit passes inspection.
- c. The PHA will advise owners/landlords and tenant/participant of when the re-inspection will take place and request owner/landlord/tenant to be present.
- d. No retroactive payments will be made to the owner/landlord for the period of time the rent was abated and the unit did not comply with HQS.

2. Termination of Contract

- a. If the owner/landlord is responsible for repairs, and fails to correct all the deficiencies cited prior to the repair deadline or extension, the contract may be terminated.
- b. If repairs are completed before the effective termination date, the

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termination may be rescinded if the tenant/participant chooses to remain
in the unit. At the PHA discretion, the effective termination date may be
extended.

H. DETERMINATION OF RESPONSIBILITY

1. Certain HQS deficiencies are considered the responsibility of the family:
 - a. Resident-paid utilities not in service;
 - b. Failure to provide or maintain family-supplied appliances;
 - c. Damage to the unit or premises caused by a household member or guest beyond normal wear and tear is defined as items which would be charged against the resident's security deposit under state law or court practice.
2. The owner/landlord is responsible for all other HQS deficiencies, which includes smoke alarms.
3. The owner/landlord is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner/landlord may evict for serious or repeated violation of the lease. The PHA may terminate the family's assistance on that basis.
4. The Inspector will make a determination of owner/landlord or family responsibility during the inspection.
5. If the family is responsible but the owner/landlord carries out repairs, the owner/ landlord may bill the family for the cost of the repairs as may be permitted within the Lease Agreement and the family's file will be noted.

I. CONSEQUENCES IF FAMILY IS RESPONSIBLE

1. If non-emergency violations of HQS are determined to be the responsibility of the family, the family shall make any repair(s) or corrections within thirty (30) days. If the repair(s) or correction(s) are not made in this time period, the PHA may terminate assistance to the family. Extensions in these cases must be approved by the Executive Director. The owner's/landlord's rent will not be abated for items that are the family's responsibility.
2. If the resident is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

VIII. REQUEST FOR TENANCY APPROVAL, RENT REASONABLENESS, DISAPPROVAL OF OWNER/LANDLORD, EXECUTION OF LEASE AND HAP CONTRACT, AND RENT INCREASE

A. REQUEST FOR TENANCY APPROVAL

1. Upon finding a unit that is suitable and if the owner/landlord is willing

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to lease the unit to the family under the HCV Program, the family must request tenancy approval of the unit from the PHA. Two documents must be submitted to the PHA to begin the process of approving the unit selected by the family. These documents are:

- a. Request for Tenancy Approval (RTA) (form HUD-53517);
 - b. Unexecuted copy of the lease between the owner and the family (this must include the HUD prescribed tenancy addendum).
2. Both documents must be completed in full and submitted to the PHA no later than the expiration date stated on the Voucher.
 3. The owner/landlord must certify, on form HUD-53517, the most recent amount of rent charged for the unit. If there is any difference between the prior rent charged and the proposed rent, the owner/landlord must provide an explanation for the difference. The PHA may require supporting documentation for the difference in rent when applicable.
 4. The owner/landlord must certify that they are not related to any member of the family (parent, child, grandparent, grandchild, sister or brother). The certification will not be required if the PHA has granted the family a request for reasonable accommodations for a person with disabilities who is a member of the tenant household.
 5. For units built prior to 1978, the owner/landlord must either:
 - a. certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspection; or
 - b. attach a lead-based paint disclosure statement.
 6. The PHA will permit a family to submit only one Request for Tenancy Approval at a time.

B. PHA'S APPROVAL OF THE TENANCY

1. The PHA will ensure that the following program requirements have been met prior to approving the Request for Tenancy Approval:
 - a. the unit is eligible;
 - b. the unit has been inspected by the PHA and meets HQS;
 - c. the unexecuted lease includes the HUD prescribed tenancy addendum;
 - d. the proposed rent by the owner/landlord is reasonable.
2. The PHA will not approve a Request for Tenancy Approval if the unit that is chosen is one of the following:
 - a. Public or Indian housing unit;
 - b. unit receiving Section 8 project-based assistance;
 - c. nursing homes, board and care homes, or facilities providing continual

- psychiatric, medical or nursing services;
- d. college or other school dormitories;
- e. units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- f. unit occupied by the owner or by a person with interest in the dwelling unit.

C. NOTIFICATION TO FAMILY AND OWNER/LANDLORD

1. The PHA will promptly notify the family and the owner/landlord of approval of the Request for Tenancy Approval.
2. The PHA will promptly notify the family and the owner/landlord of disapproval of the Request for Tenancy Approval. The notification will provide the reason(s) for disapproval. The notification will also provide the owner/landlord and family with an opportunity to correct the problems within thirty (30) days.

D. PHA'S DISAPPROVAL OF OWNER/LANDLORD

1. The PHA will not approve an assisted tenancy if:
 - a. The owner/landlord is debarred, suspended, or subject to a limited denial or participation;
 - b. The federal government has instituted an administrative or judicial action against the owner/landlord for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending; or
 - c. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
2. The PHA will not approve as assisted tenancy if the lease is executed between relatives. That is, if the owner/landlord of the unit is related to any member of the assisted family.
3. The PHA will not approve contracts in which any of the following parties have current interest in the HAP contract, or will have an interest in the HAP contract for one year thereafter.
 - present or former member or officer of the PHA, except a participant commissioner;
 - employee of the PHA or any contractor, subcontractor or agent of the PHA who formulates policy or influences program decisions;
 - public official, member of a governing body, or state or local legislator who exercises functions or responsibilities related to the program; or
 - members of the U. S. Congress.

E. PHA'S DISCRETION TO DISAPPROVE OWNERS/LANDLORD

The PHA, at its discretion, will disapprove an owners/landlord for any of the specific reasons listed below:

1. violation of obligations under one or more HAP contracts;
2. acts of fraud, bribery or other corrupt or criminal act in connection with any federal housing programs;
3. participation in any drug related activity or any violent criminal activity;
4. current or previous practice on non-compliance with HQS and/or state and local housing codes or with applicable housing standards for units leased under any other federal housing programs;
5. current or prior history or refusing to evict housing choice voucher program or other assisted housing tenants for activity by the tenant, any member of the household, a guest, or another person(s) 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 residents, PHA employees, or owner employees;
 - Threatens the neighbors' health or safety, or neighbors' right to peaceful enjoyment of their residence; or
 - Engages in drug related criminal activity or violent criminal activity.
6. fails to pay state or local real estate taxes, fines, or assessments.

F. RENT REASONABLENESS DETERMINATION AND DOCUMENTATION

1. The PHA will not approve a lease until it is determined that the initial rent to the owner/landlord is a reasonable rent. The PHA must also determine the reasonable rent before any increase in the rent is approved, and if there is a five percent (5%) decrease (review new HOTMA regs.) in the published FMR in effect sixty (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.
2. The PHA will also determine rent reasonableness when the owner/landlord requests an increase in the rent for a voucher unit.
3. Local government or independent entities (approved by HUD) must perform HQS inspections and rent reasonableness determinations for PHA-owned units leased by voucher holders:
 - the PHA will pay expenses associated with the performance;
 - the family cannot be charged for these services;
 - the PHA may use administrative fee income to compensate the

4. The following items will be used for rent reasonableness documentation:
 - Size (number of bedrooms/square footage);
 - Location;
 - Quality;
 - Amenities (bathrooms, dishwasher, air conditioning, etc.);
 - Housing Services;
 - Age of unit;
 - Unit Type;
 - Utilities;
 - Maintenance.
5. The following basic methodology may be used to certify that the requested rent is reasonable in relation to rents being charged for unassisted units:
 - a. PHA collects the required data concerning the unit to be assisted from the Request for Tenancy Approval and during the inspection.
 - b. Data from comparable units may be collected from the following sources:
 - Multiple Listing Service;
 - Newspapers and owner/landlord interviews;
 - Other methods as needed;
 - Owner/agent questionnaires;
 - On-site visits.
 - c. Data concerning at least three (3) comparable and the assisted unit may be recorded on a Rent Reasonableness Determination (RRD) form. This form may be attached to the inspection records.
 - d. 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.
 - e. The analysis will utilize the appraisal method comparing point or dollar values or the standard deviation method using rents adjusted for all of the comparable items.
 - f. Rent rolls may be requested from owner/agents if needed to determine that rents charged for unassisted units in a complex are favorably comparable to the assisted unit.
6. The PHA must re-determine rent reasonableness if directed by HUD. The PHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner/landlord may not exceed the reasonable rent as most recently determined or re-determined by the PHA.
7. The owner/landlord will be advised that by accepting each monthly housing

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assistance payment he/she will be certifying that:

- a. the rent to owner/landlord is not more than rent charged by the owner/landlord for comparable unassisted units in the premises;
- b. the assisted family is currently occupying the unit;
- c. the assisted family is not in violation of lease obligations; and
- d. the owner/landlord is in compliance with the terms of the Section 8 HAP Contract.

G. EXECUTION OF THE LEASE AND CONTRACT

1. The owner/landlord and tenant must execute the HUD mandated Lease Addendum after the owner's/ landlord's lease is approved by PHA. If the PHA determines that the proposed lease is unacceptable, the owner/landlord has ten (10) calendar days to amend it and resubmit it to the PHA.
2. The PHA may recommend the use of a standard lease designed by the PHA. However, the PHA should encourage all owners/landlords to use their own lease.
3. The effective date of the lease and HAP Contract shall be on the same date or after the unit passes the HQS inspection.
4. The lease and contract should be executed within thirty (30) days of the effective date. Under HUD COVID-19 Statutory and Regulatory Waivers and Alternative Requirements, the contract may be executed within one hundred twenty (120) days of the effective date.
5. The lease must be consistent with state and local laws.
6. The lease must be generally applied to unassisted residents.
7. Defines resident's legal capacity as having legal capacity under state and local law and that the resident is bound by the terms of the lease and may enforce the lease against the owner.
8. At a minimum, the lease must include:
 - a. the residents' and owner's/landlord's name and location;
 - b. the term of the lease (and any conditions of renewal);
 - c. the monthly rent to owner/landlord;
 - d. specifications regarding which utilities and appliances are furnished by the owner/landlord and which by the tenant;
 - e. clarifies conditions under which execution of a new HAP contract and PHA approval of the lease would be required:
 - change in owner/landlord or tenant provided utilities or

- appliances;
 - changes in the term of the lease;
 - family move to a new unit in the same building or complex.
9. Change in rent requires delivery of an amended/new lease agreement whether annual or otherwise.
10. **Security deposit assistance.** MHA may assist with the security deposit payment using HCV Admin Fee funding. The use of such funding will be limited to emergencies, difficult voucher leasing trends, severe weather events, national or local emergencies or other unforeseen event which the MHA determines would cause a significant delay in voucher utilization. The amount of the security deposit assistance may not exceed the lesser of two months' rent to owner, the maximum security deposit allowed under applicable state and/or local law, or the actual security deposit required by the owner.

Security deposit assistance can apply to both initial and subsequent move-ins and paid directly to the owner on behalf of the family when other resources cannot. HCV participants must be in good standing with MHA and abide by the terms of the lease in order to be eligible for this type of assistance. In the event the owner refunds the security deposit balance, after deducting any amounts for repairs, any remaining balance will be made payable to MHA.

If MHA chooses to provide the security deposit assistance to the family, the family must sign an agreement that the family will use the assistance for the security deposit, and that if any or all of the assistance is not used for a security deposit, it will be returned promptly to MHA.

The agreement must also require the family to acknowledge they have been informed that any amounts not returned to MHA (including any requirements related to the return of the security deposit assistance at the end of the family's tenancy) are amounts owed to the PHA in connection with the Section 8 program, and consequently would be grounds for denial or termination from the HCV program in accordance with 24 CFR part 982.552(c)(1)(v). The family's failure to repay such amounts would be grounds for denial or termination of assistance, but it would be at the PHA's discretion as to take such action, and the family would have the right to an opportunity for an informal hearing (for a termination action) or informal review (for a denial of admission) in accordance with 24 CFR 982.554 or 982.555, as applicable.

H. RENT INCREASES

The owner/landlord must submit a rent increase in accordance with the HAP Contract. The tenant/participant and PHA must be served with the written notice of the increase request in rent and the effective date must be no sooner than sixty (60) days after the notice date. The PHA must receive a copy from the owner/landlord in order to process the increase request.

Upon receipt of the notice of rent increase the PHA must determine if the increased rent meets the rent reasonableness standard. In areas where there is rent control,

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the PHA must determine whether or not rent control restrictions also impact the rent increase.

In cases where the PHA cannot justify the rent increase through rent reasonableness, the owner/landlord must be notified in writing. The owner/landlord may appeal the PHA's decision, providing the PHA with non-assisted comparable units in his/her property receiving the requested rent. If the PHA does not approve the increase, the tenant/participant cannot assume the burden of the increase.

Owners/landlords may request and HUD may approve a special rent increase pursuant to the HAP Contract.

PHASE-IN OF RENT INCREASES FOR RAD PROGRAM

If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 5 years using the method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "Calculated PBV TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, MHA will use the flat rent amount to calculate the phase-in amount for Years 1-5, as illustrated below.

Five Year Phase in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 5 AR and all subsequent re-certifications – Full Calculated PBV TTP

Please Note: Once the Calculated PBV TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

I. MANUFACTURED HOMEOWNERS LEASING PAD

The subsidy amount for expenses associated with pad leasing for mobile homeowners has been increased from thirty percent (30%) of the two-bedroom FMR to forty percent (40%).

IX. PAYMENT STANDARDS

- A. Each year, the PHA will establish Payment Standards between 90-110% of the current Fair Market Rent. HUD approval will be obtained if subsidy amount is below or above established FMR. If below FMR, HUD will not approve if more than forty percent (40%) of the PHA's participants are paying a family share above thirty percent (30%) of adjusted monthly income.

The PHA may voluntarily implement HUD Small Area Fair Market Rents (SAFMR) within the City of McAllen, Texas by zip code as applicable. The PHA has the discretion to apply SAFMR to one or multiple zip codes within the HCV and Project Based Voucher (PBV) programs. Zip codes without a SAFMR will continue to follow the conventional metropolitan Fair Market Rent (FMR). In addition, the PHA has the discretion to withdraw its use of SAFMRs based on program performance and available funding.

- B. When the Payment Standard is adjusted, staff will make the appropriate changes during the family's annual reexamination.
- C. Factors that the PHA may review on an annual basis, within sixty (60) days of the publication of the Fair Market Rents schedule, include the following:
1. participant rent burdens (percent of Tenant Rent to adjusted household income);
 2. participant rent burden relative to the quality of units selected by participant families;
 3. participant rent burden relative to availability by bedroom size;
 4. actual contract rents for specific bedroom sizes;
 5. actual rent increases for participating households;
 6. the average time period for finding eligible housing;

7. rent reasonableness data;
 8. the local vacancy rate; and
 9. prior approved rent exceptions will apply.
- D. If the payment standard is decreased, the new payment standard will not be applied until the second annual reexamination after the date of the decrease in payment standard as long as the participant remains in place under the current HAP Contract and lease.
- E. Maximum Initial Rent Burden per 24CFR 982.305 (5).
1. Families receiving initial assistance or moving after October 1, 1999, may not pay more than forty percent (40%) of monthly adjusted income;
 2. This does not apply if family stays in unit; and
 3. Is applicable with each move.
- F. Procedures for Evaluation

During the annual evaluation process, the PHA may use the above data to determine what impact an increase in the payment standard will have on the number of families who can be assisted.

X. OWNER/LANDLORD RESPONSIBILITY FOR SCREENING RESIDENTS

A. OWNER/LANDLORD SCREENING

1. Listing a family on the PHA waiting list, or selecting a family for participation in the program, is not a representation by the PHA to the owner/landlord about the family's expected behavior, or the family's suitability for tenancy. At or before PHA approval to lease a unit, the PHA must inform the owner/landlord that the PHA has not screened the family's behavior or suitability for tenancy and that such screening is the owner's/landlord's own responsibility.
2. Owners/landlords are permitted and encouraged to screen families on the basis of their tenancy histories. An owner/landlord may consider a family's background with respect to such factors as:
 - a. payment of rent and utility bills;
 - b. caring for a unit and premises;
 - c. respecting the rights of others to the peaceful enjoyment of their housing;
 - d. drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others; and
 - e. compliance with other essential conditions of tenancy.

B. PHA INFORMATION ABOUT RESIDENT

1. If requested in writing, the PHA must give the owner/landlord:
 - a. The family's current and prior address (as shown in the PHA records); and
 - b. The name and address (if known to the PHA) of the owner/landlord at the family's current and prior address.
2. When a family wants to lease a dwelling unit, the PHA may offer the owner/landlord other information in the PHA possession, about the family, including information about the tenancy history of family member, or about drug-trafficking by family members. If the PHA provides additional information to item 1 above, it will have clear, written procedures describing what information will be released and how it will be provided. Only information that is either public record or first-hand knowledge by the PHA may be provided. The PHA's legal counsel will approve the written procedures.
3. The PHA will give the family a statement of the PHA's policy on providing information to owners/landlords. The statement will be included in the information packet that is given to a family selected to participate in the program.
4. The PHA will limit use and disclosure of family information obtained through release and consent procedures solely for program administration purposes.

XI. PAYMENTS TO OWNERS/LANDLORDS

A. CONTROLS AND ACCOUNTABILITY

1. All payments are computed according to HUD approved formulas and schedules.
2. New contracts are dated on or after the unit is approved and the participant has moved in.
3. Computations are reviewed before being submitted for payment.
4. A HAP register is maintained to monitor timeliness and accuracy.
5. The owner/landlord may not charge extra for items customarily included in rents in the locality or provided at no additional cost to the unsubsidized residents on the premises.

B. BASIC PROCEDURES

1. Monthly HAP disbursements are effective on the 2nd day of the month and may be adjusted dependent upon workweek or holiday schedule.

2. Request for payments are submitted by no later than the 3rd week of each month to insure that payments can be reviewed for accuracy and so that payments are made in a timely manner to the owners/landlords.
3. Payments are currently made by check and Direct Deposit/ACH but for the sake of cost savings and efficiency the PHA is converting to a mandatory payment system to Direct Deposit or other electronic means. A (30) day written notice will be sent to Landlords advising of the mandatory requirement to Direct Deposit and/or electronic means and a requirement to provide a Checking Account & Routing Number. When applicable, Tenant's Utility Reimbursement payments are made directly to the utility company by the PHA.

C. HAP LATE PAYMENTS TO OWNERS/LANDLORDS

HAP contract provides for penalties against the PHA. To assess such fees, the policy and practice must meet the following criteria:

1. The penalties follow the generally accepted practice and law in the local housing market;
2. The owner/landlord charges both assisted and non-assisted residents;
3. The owner/landlord charges the resident for late rent payments;
4. Late fee will be paid from the Administrative fees income and reserve;
5. PHA will not be penalized for circumstances that are beyond their control;
6. The HAP payment is considered received once it has been mailed by the PHA;
7. The first HAP payment of a contract is not considered for a late payment.

XII. ANNUAL AND INTERIM RE-CERTIFICATION

A. ANNUAL RE-CERTIFICATION

1. Reexamination of family income and composition will be conducted at least annually for families in the Housing Choice Voucher Program. The family will be requested to provide information on income, assets, allowances and deductions, and family composition at least annually.
2. Families will be obligated to supply any information that the PHA or HUD determines is necessary for use in regularly scheduled reexaminations or an interim reexamination.
3. Families must submit consent forms for obtaining wage and claim information from Federal, State, or local agency to furnish or release to the PHA such information determined necessary.
4. The PHA will obtain and document in the family's file the third-party

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verification received or document why it is not available.

5. The annual re-certification date shall be the first of the month in which the lease was executed.
6. When families move to another dwelling unit, an annual re-certification will be scheduled.
7. Income limits will not be used as a test for continued eligibility at re-certification.
8. Reexamination Notice to the Family
 - a. The PHA will maintain a reexamination tracking system and at least ninety (90) days in advance of the scheduled annual reexamination effective date, the head of household will be notified by mail that she/he is required to attend a reexamination interview on a specified date (or rescheduled in advance if the scheduled date is unacceptable).
 - b. The notice will inform the family about what documents the family must bring to the re-certification interview.
 - c. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format.
 - d. A home visit or telephone interview may be conducted for elderly or disabled clients.
 - e. If requested by an elderly or disabled client, a family representative or social service representative may assist with the process.
 - f. All family members eighteen (18) years of age or older must attend the annual reexamination appointment.
9. Verification of Information Provided
 - a. The PHA will send out third-party verifications. If third-party verifications are not returned by the given deadline, documents provided by the resident may be used for verification.
 - b. The PHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than one hundred twenty (120) days old.
 - c. Families declaring zero income may be required to execute verification forms to determine the sources of income such as unemployment benefits; TANF; SSI; etc. are not received by the household. The PHA may request information from the state employment office.
 - d. For families with zero income reexamination is scheduled no less than every thirty (30) days. The family is required to provide proof of assistance by methods of contribution letter, receipts or agency confirmation.
10. Background checks will be done at annual re-examinations for all household members over the age of 18.
11. Although it is not required, the PHA should provide tenants who were not

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provided the opportunity to provide contact information at the time the application and admission, the option to complete form HUD-92006 and provide contact information at the time of their next annual re-examination/re-certification.

12. PHA will contact the individual or organization provided only for the use or uses indicated by the applicant or tenant on form HUD-92006.

B. INTERIM REEXAMINATIONS

All changes in income must be reported to the PHA in writing within the (10) calendar days of the effective date of the change. The PHA will determine whether or not the change warrants an interim reexamination. Note: In accordance with HOTMA statutory language the PHA may decline to conduct interim reexaminations due to increased income only in the final 3 months of an annual certification cycle.

The PHA will conduct interim reexaminations of the family income, composition and other eligibility factors to adjust the Total Tenant Payment for the following reasons:

1. **Whenever the PHA has estimated that the family's income has increased by ten (10%) percent or more.** *Note: if the PHA estimates that such increase is not attributable to earned income, an interim reexamination will not occur. If the family has undergone an interim reexamination for a decrease in income, the PHA has discretion regarding whether to count increases in earned income when estimating/calculating whether the family's adjusted income has increased.*
2. for families whose income cannot be projected with any reasonable degree of accuracy, special reexaminations will be scheduled not more than every ninety (90) days;
3. for families where an error was made at admission or reexamination; that family will not be charged retroactive rent (increase) for error(s) made by PHA personnel;
4. for families whose rent was based on false or incomplete information supplied by the applicant/participant;
5. for families who requested a review due to a decrease in income or increase in allowable expenses;
6. for families who have had their rent reduced under a previously requested reexamination;
7. for families who have added and/or deleted member(s) of their household from the original family composition (mandatory that this be reported to PHA);
8. for families whose income source is changed including changing from one full-time employer to another, receipt of an unscheduled increase in wages, or

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receipt of an increase in benefits such as Social Security, SSI, and TANF;

9. for families or household members previously reporting zero income; for zero income families, if there is an increase in income greater than ten (10%) percent and is entirely from unearned income, then the PHA must conduct an interim reexamination, unless the family is within the last 3 months of income certification period.
10. any requirements imposed by HUD.

C. FAILURE TO RESPOND TO ANNUAL RE-CERTIFICATION NOTICE

1. The written notification must state which family members are required to attend the interview.
2. If the family fails to appear for the re-certification interview, and has not rescheduled or made prior arrangements with the PHA, the PHA may reschedule a second appointment.
3. If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the PHA may send the family notice of termination and offer them an informal hearing.
4. Exceptions to these policies may be made 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.
5. Participants will be mailed notices of a maximum of two (2) scheduled reexamination appointments. Extenuating circumstances may be considered at the discretion of the PHA. The second appointment notice must be mailed immediately allowing the participant ten (10) working days for the next scheduled appointment.

D. CHANGES TO TENANT RENT

1. When the family income information is analyzed, and all other re-certification requirements have been met, the Tenant Rent will be recalculated.
2. The PHA will notify both the owner/landlord and resident in writing of the new rent shares.
3. Changes in Family Share at Annual Recertification

Increases or decreases in family share are effective on the anniversary date unless the family has caused a delay in the recertification process or fails to report all income and deductions.

When the family causes a delay or fails to report, a decrease in family share

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will become effective the first day of the month following verification. An increase is effective retroactively to earlier of the anniversary date or the first day of the month following the increase.

4. Changes in Family Share at Interim Recertification

An increase in family share is effective the first day of the month following a thirty (30) day notice from the PHA if reported by the family within ten (10) days of the increase.

If the family has not reported the increase within ten (10) days, the increase will be retroactive to the first day of the month following the increase in income.

Decreases in family share are effective the first day of the month following the report of decrease in income or increased deductions.

5. Increases in family share as a result of receipt of the Earned Income Disallowance (EID) will be effective the first day of the month following notification by the PHA.
6. 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 anniversary date or at the discretion of the PHA, the tenant may be placed on a promissory note or terminated from the program.
7. If there is a rent decrease, it will be effective on the first day of the month following reexamination date (unless the family has caused a delay in reexamination processing).
8. Retroactive rent is charged when the participant has failed to provide information within the required time period.
9. Rent will be prorated when a mixed family is not eligible for continued assistance or deferral of termination; chooses not to defer termination; or is at the end of the deferral period. The total housing subsidy is calculated in the usual manner for either assistance program, using income for all family members. Prorated assistance is calculated by multiplying the total subsidy by a fraction that shows the number of eligible family members as the top number and is divided by the number of total family members as the bottom number.

E. REQUIREMENTS TO ADD TO FAMILY COMPOSITION ADD OR REVIEW THE ELIGIBILITY OF TENANTS WHEN ADDING MEMBERS TO HOUSEHOLD.

The PHA is required to amend the lease when there are additions or deletions to the family composition. The following requirements pertain to family additions:

1. Minors
 - a. To add a minor to the family composition the PHA will require the minor's birth certificate and social security number and, when applicable, proof of guardianship. The provision of social security numbers for persons over six (6) years of age is required by HUD. Failure to provide social security number will result in termination of assistance for failure to comply with program requirements.
 - b. Proof of guardianship will be required when the participant seeks to add the minor child of another relative. Documentation may include court orders, verification of custody from the appropriate State Agency that the participant is the guardian of said minor child, or notarized documents from both parents or all those who otherwise have any legal rights of custody or guardianship.

- c. Guardianship of minor by notarized document of both parents will require annual review and re-certification of documentation establishing status of custody.
2. Persons eighteen (18) years of age or older:

When the participant requests an adult person (defined as someone 18 years of age or older) be added to the family composition, the following will be required:

 - a. Photo identification, social security number, verification of income and other eligibility related requirements. The individual will be required to sign HUD form 9886 (Release of Information);
 - b. Background screening will be conducted for criminal activity prior to authorizing approval to add an adult person to family composition and the PHA will determine, after receipt, of the report the acceptability of this adult member in the same manner other applicants are screened for appropriate behavior.
 - c. If the individual is found to have no criminal history background record, the PHA will add the adult member to the family composition.
 - d. If the individual is found to have a criminal history background record, the PHA may deny the admission and addition to the lease.
 - e. The PHA will consider any violent criminal or drug-related criminal activity as grounds to deny admission, unless the individual can prove rehabilitation.
 - f. Because the adult member who wished to be added has no formal relationship with the PHA, she/he will not be afforded a review of the reasons for denial.
3. The PHA will notify the family in writing if there is a determination to deny the addition of any family member(s). The family may appeal by requesting an Informal Hearing as outlined in this Plan.

XIII. TERMINATION OF ASSISTANCE

A. BASIC POLICY

The PHA may terminate assistance for a family because of the family's action or failure to act. The PHA will provide families with a written description of the family obligations under the program, grounds under which the PHA can terminate assistance, and the informal hearing procedures.

B. THE PHA MAY TERMINATE ASSISTANCE OF THE FAMILY FOR THE FOLLOWING REASONS

1. A family must not engage in drug-related criminal activity, violent criminal activity, or other criminal activity, including criminal activity by any family member.

2. A family must not engage in the abuse of alcohol to the extent that the abuse interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Drug-Related Criminal Activity means: the illegal use or possession for personal use, manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute a controlled substance (as defined in the Controlled Substance Act.).

3. The PHA may not terminate assistance for such use or possession by a family member, if the family member can demonstrate that he/she:
 - a. Has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such an impairment; and
 - b. Is recovering or has recovered from such an addiction and does not currently use or possess controlled substances. In this instance, the PHA shall require the family to submit evidence of participation in, or successful completion of a treatment program as a condition of continued assistance for the family or to allow the affected family member to reside in the assisted units.
4. Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person or property of another.
5. Abuse of alcohol includes behavior or a pattern of behavior of any Section 8 program participant and any family member and/or guest that as a result of the abuse of alcohol interferes with the health, safety, or right of peaceful enjoyment of the premises by other residents.
6. As a measure to determine whether the person has violated this family obligation, one of the following situations must be present:
 - a. There has been an arrest for engaging in drug-related criminal activity or violent criminal activity (as defined above) or other criminal activity, including criminal activity by any family member, which resulted in a conviction within the past twelve (12) months; or
 - b. There has been an arrest within the prior twelve (12) months for engaging in drug-related criminal activity or violent criminal activity (as defined above) including criminal activity by any family member, which did or did not result in a conviction within the last sixty (60) months; or
 - c. The family has been evicted from federally-assisted housing in the last five (5) years (see 24 CFR Sec. 982.552) for engaging in drug-related criminal activity or violent criminal activity (as defined above) including criminal activity by any family member;
 - d. Drug-related or criminal activity in, on or near the premises by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person in the tenant's control.
 - e. The PHA has acquired/been presented with the preponderance of

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evidence that the family, including any family member, is engaging in drug-related criminal activity or violent criminal activity or other criminal activity or alcohol abuse, regardless of whether the family member has been arrested or convicted for such activity.

7. Families who are guilty of program abuse or fraud in any Federal Housing Assistance program. (This presupposes that the program abuse or fraud is substantiated and that a Repayment Agreement was not entered into.)
8. Families who have violated one of their family obligations.
9. Families who are in default of an executed Repayment Agreement by missing two (2) payments.
10. Families whose Total Tenant Payment is sufficient to pay the full gross rent and where 180 days has elapsed since the PHA's last HAP payment was made.
11. Families whose appropriate household members do not provide their Social Security information and documentation within the time required and specified by the PHA.
12. Families who fail to comply with HUD requirements for Assistance to non-citizens.
13. Income limits are solely used to determine eligibility for initial applicants. Income limits are not a consideration for termination of assistance once the family is under lease and contract and already on the program.
However, the following examples may be reasons for termination of assistance:
 - if the family did not report an interim change in family composition or income, etc., which they were required to report, the PHA would determine how much the family owed the PHA, due to the unreported or untimely reported information.
 - if the PHA entered into a Repayment Agreement with the family, for unreported family income or multiple occasions of unreported income, and the family is current in its payments to the PHA, there is no reason to terminate the family's assistance.
 - if the family stops paying on their Repayment Agreement, the family will be under the termination of assistance procedures above.
14. If a participant signs an agreement with an owner/landlord to pay for the owner/landlord to repair resident-caused HQS fail items, and the participant fails to repay the owner/landlord pursuant to said agreement, assistance may be terminated.
15. If a household member is fleeing to avoid prosecution, or custody or confinement after prosecution for a crime that is a felony under the law of the place from which the individual flees; or in, some states is a high

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misdemeanor; or violating a condition of probation or parole imposed under State or Federal Law. Note: In New Jersey, a felony is called a high misdemeanor. Therefore, a person fleeing New Jersey to another state is not eligible for public housing.

16. If a family member has violated or is violating a condition of probation or parole imposed under Federal or State law.
17. If any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

C. ZERO HOUSING ASSISTANCE

1. If the participant's income increases, resulting in a zero housing assistance payment and the participant is paying the entire contract rent; the participant shall be considered over-income after six (6) consecutive months of zero housing assistance payments. The family will be notified that the zero housing assistance is available for six (6) months. At that time, if there has been no changes which reflect the ability for the PHA to provide monetary assistance on the contract, the contract and the family's assistance will be terminated.
2. This determination does not preclude the family from asking to terminate assistance immediately, nor does it impact any rights under the lease.
3. Families whose assistance is terminated under this instance will have to reapply for assistance when PHA is accepting applications.

D. COMPUTER MATCHING

The PHA will utilize the Department of Housing and Urban Development Enterprise Income Verification (EIV) System to increase the efficiency and accuracy of income and rent determinations, reduce incidents of underreported and mis-reported household income and assure that more eligible families are able to participate in the programs. HUD EIV system provides new hire, wage unemployment compensation, and Social Security benefit information through a data matching process for households covered by the HUD-Form 50058 and individuals who have disclosed a valid Social Security number. System will identify individuals who may have voluntarily and involuntarily ended their participation in a Public Indian House (PIH) rental assistance program with an adverse status and/or outstanding debt owed to a PHA as of the end of participation date.

XIV. UTILITY ALLOWANCES

- A. The Utility Allowance Schedule is used to determine how much credit the assisted family will be given for estimated utility cost. If the family pays for some or all utilities, the Section 8 office will provide the family with a utility allowance. The allowances are based on actual rates and average consumption.
- B. The utility allowance is given as a reduction in the resident's portion of rent to be

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paid to the owner/landlord. The Total Tenant Payment is reduced by the utility rate since the last revision.

- C. The PHA's Section 8 office will review the Utility Allowance annually and adjust if there is a ten percent (10%) or more change in the utility rate since the last revision.
- D. Approved utility allowance schedule(s) are provided to families at the briefing sessions when the family receives initial or continued assistance.
- E. The PHA will use the utility allowance for the actual size unit rented and will consider a special higher utility allowance as reasonable for a disabled person.
- F. Allowances will be established for families who supply the range and refrigerator.

XV. PORTABILITY

A. OUTGOING HOUSING CHOICE VOUCHERS APPLY NEW PORTABILITY RULE

- 1. The Owner is permitted to require the family to give a termination notice of any lease-specified minimum length. (See 24 CFR Sec. 982.309)
- 2. If the family terminates the lease with proper notice to the owner/landlord, the family must give the PHA a copy of the notice at the same time.
- 3. If the family wants to move to a new unit that is located outside the initial PHA jurisdiction, the notice to the PHA must specify the area where the family wants to move.

B. RECEIVING PHA (see 24 CFR 982.355)

- 1. The receiving PHA is not required to provide assistance to porting families that has breached its obligations.
- 2. The receiving PHA may opt to screen portable families using the receiving PHA's admission criteria only if the family is not a current participant in the tenant-based program.
- 3. Portability admissions are counted against the initial PHA's income targeting requirement (75% of extremely low-income admissions) - unless the receiving PHA absorbs the family (24 CFR 982.20)

XVI. MOVES WITH CONTINUED TENANT-BASED ASSISTANCE

A. ELIGIBILITY TO MOVE

- 1. The assisted lease for the old unit has terminated. This includes a termination

because:

- a. The PHA has terminated the HAP contract for the owner's/landlord's breach; or
 - b. The lease has terminated by mutual agreement of the owner/landlord and the resident; or
 - c. The lease expired and either the owner/landlord or resident decided not to renew.
2. The owner/landlord has given the resident a notice to vacate, or has commenced an action to evict the resident, or has obtained a court judgment or other process allowing the owner/landlord to evict the resident.
 3. The resident has given proper notice of lease termination after the first year.

B. HOW MANY MOVES

1. A participant family may move one time with continued assistance under the program, either inside the jurisdiction or under the portability procedures during any one-year period. (See 24 CFR Sec. 982.353 and Sec. 982.314)
2. The family may not move during the initial term of the lease when participating in the Housing Choice Voucher program under McAllen Housing Authority. (See 24 CFR Sec. 982.314)
3. The PHA may deny a request to move for the following reasons:
 - a. the participant intentionally causes the unit to fail housing quality standards;
 - b. the participant owes the PHA a balance due;
 - c. the participant has violated a family obligation.
4. Failure to provide at least sixty (60) days' notice may result in termination of assistance.
5. Agreement to Remain in Occupancy
 - a. If the family does not locate a new dwelling they may be required to submit an Agreement to Remain in Occupancy.
 - b. The assisted tenancy may be extended for any period of time mutually agreed upon by the owner/landlord and resident.
 - c. Absence of the Agreement to Remain in Occupancy and HAP payments and the HAP contract may terminate at the end of the thirty (30)-day Notice to Move issued by the tenant.

C. NOTICE OF FAMILY MOVE - PORTABILITY RULE

1. The Owner is permitted to require the family to give a termination notice of any lease-specified minimum length. (See 24 CFR Sec. 982.309)

2. If the family terminates the lease with proper notice to the owner/landlord, the family must give the PHA a copy of the notice at the same time.
3. If the family wants to move to a new unit that is located outside the initial PHA jurisdiction, the notice to the PHA must specify the area where the family wants to move.

XVII. FAMILY BREAK-UP

A. PHA DISCRETION

1. The PHA has discretion to determine which members of an assisted family continue to receive assistance in the program if the family breaks up.
2. The decision to determine who continues to receive the assistance will be made by the PHA.

B. CRITERIA

The factors to be considered in making this decision may include:

1. whether the assistance should remain with family members remaining in the original assisted unit;
2. the interest of minor children or of ill, elderly or disabled family members;
3. whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household; or
4. other factors specified by the PHA.

C. COURT ORDERS

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

D. REMAINING MEMBER OF TENANT FAMILY

1. The Section 8 office may assist an individual left in an assisted housing unit who may or may not otherwise qualify for assistance under their own circumstances.
2. A single adult, 18 years old or older (whether elderly or non-elderly, displaced or non-disabled, children in residence/household or no children present) may

become the head of household.

3. A live-in aide will not be considered a remaining member of the resident family by definition.
4. A minor child or children will not be allowed to retain status of remaining family member(s) unless:
 - a. The court has awarded emancipated minor status to the minor; or
 - b. An income eligible court appointed or legal guardian moves into the unit with the minor child or children.
5. If both parents must leave the household and the Department of Social Services and/or the Juvenile Court has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the Section 8 office will treat that adult as a visitor for sixty (60) days.
 - a. After that period, the Section 8 office will determine whether court awarded custody or legal guardianship has been granted to the caretaker.
 - b. If so, the assistance will be transferred to the caretaker.

XVIII. ABSENCE FROM UNIT

A. TIME LIMITS

1. The family may be absent from the unit for brief periods. The family may not be absent from the unit for a period of more than sixty (60) consecutive calendar days.
2. The housing assistance payments terminate if the family is absent for longer than sixty (60) days. The term of the HAP contract and assisted lease also terminate.
3. The Executive Director may approve an absence of up to 180 consecutive calendar days for extraordinary reasons, such as military leave.
4. Absence means that no member of the family is residing in the unit.
5. The owner/landlord must reimburse the PHA for any housing assistance payments for the period after termination caused by excess absence.
6. The family must be current with their portion of rent payment and any other program obligations during absence from the unit.

B. VERIFICATIONS

1. The family must supply any information or certification requested to verify that the family is residing in the unit.
2. The family must promptly notify the PHA of absence from the unit, including

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any information requested on the purpose of family absences.

3. The PHA will accept the following to verify family occupancy or absence, letters to the family at the unit, phone calls, visits or questions to the landlord or neighbors.

XIX. ADMISSION OF LIVE-IN AIDE OR FOSTER CHILDREN

A. LIVE-IN AIDE

1. The PHA will permit the live-in aide to reside with a disabled family as long as the live-in aide meets the criteria for the definition of Live-In Aide (see the Definitions section of this Plan).
2. In the case where a live-in aide is arrested at or near the premises of the Section 8 participant for drug-related or violent criminal activity, the PHA shall advise the Section 8 participant that the live-in aide cannot be housed with the participant.
3. The PHA will not be required to wait until conviction of the live-in aide, but will use the criteria of preponderance of the evidence.
4. None of the above-mentioned procedures precludes the Section 8 owner/landlord from taking action to initiate termination for good cause.

B. FOSTER CHILDREN

1. Foster children will be allowed as additions to the household if the anticipated length of stay is at least six (6) months.
2. Documentation from the Department of Public Health and Social Services agency responsible for placement must be provided prior to the placement of the child or children, except in cases of emergency.
3. If the participating family requires a larger size unit, it will be issued as soon as possible.

XX. PROGRAM INTEGRITY

A. INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

The PHA will initiate an investigation of a participating family in the event of one or more of the following circumstances:

1. Referrals, Complaints or Tips. The PHA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise, violating the lease 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

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retained in the participant's file. Anonymous complaints will be investigated if the information received contains specific allegations that can be independently verified. If the anonymous complaint is not specific, the information will be retained in files, but will not be used to initiate investigations.

2. Internal File Review. A follow-up will be made if PHA staff discovers (as a function of a certification or re-certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the PHA's knowledge of the family, or is discrepant with statements made by the family.
3. Verification or Documentation. A follow-up will be made if the PHA receives independent verification or documentation which conflicts with representations in the family's file (such as public record information, or credit bureau report, or reports from other agencies).

B. STEPS TO DETECT PROGRAM ABUSE AND FRAUD

1. Quality Control File Reviews. On a random basis an appropriate number of (at least 5% of files processed each month) participant files will be reviewed for accuracy and completeness. Such reviews will be completed by a knowledgeable staff member who was not directly involved in the processing of that applicant/participant file. Such reviews shall include, but are not limited to:
 - a. assurance that verification of all income and deductions is present;
 - b. changes in reported Social Security Numbers or dates of birth are noted;
 - c. file documents are authentic;
 - d. ratio between reported income and expenditures is accurately computed;
 - e. review of signatures are consistent with previously signed file documents.
2. The PHA staff (to include inspection personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and indications of unreported income. The observations will be documented in the family's file.
3. Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:
 - a. At the time of the final eligibility determination if the information provided by the applicant conflicts with information obtained through outside sources or third-party verifications.
 - b. When an allegation is received by the PHA wherein unreported income sources are disclosed.
 - c. When a participant's expenditures exceed his/her reported income and no plausible explanation is given.

C. HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The PHA will review allegations which contain one or more independently verifiable facts.

1. An internal file review will be conducted to determine:
 - a. If the subject of the allegation is a Section 8 participant and, if so, to determine whether or not the information reported has been previously disclosed by the family.
 - b. It will then be determined if the PHA is the most appropriate authority to do a follow-up (more so than police or social service). Any file documentation of past behavior, as well as corroborating complaints, will be evaluated.
2. If at the conclusion of the preliminary file review, there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the staff will initiate an investigation to determine if the allegation is true or false.

D. INVESTIGATIONS OF ALLEGATIONS OF ABUSE AND FRAUD

If the PHA determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file 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, the PHA will secure the written authorization from the resident for the release of information.

1. Credit Bureau Inquiries (CBI). In cases involving previously unreported income sources, a CBI may be made to determine if there is financial activity that conflicts with the reported income of the family.
2. Verification of Credit. In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.
3. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
4. Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed if it is believed that they have direct or indirect knowledge of facts pertaining to the PHA's review.
5. Other Agencies. Investigators, caseworkers or representatives of other benefit agencies may be contacted.
6. Public Records. If relevant, the PHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

7. Interviews with Head of Household or Other Family Members. The PHA will discuss the allegation (or details thereof) with the head of household or family member by scheduling an appointment at the PHA office.

A high standard of courtesy and professionalism will be maintained by the PHA staff person who conducts such interviews. Under no circumstances will inflammatory language or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

E. EVIDENCE AND STATEMENTS OBTAINED BY THE PHA

Documents and other evidence obtained by the PHA during the course of an investigation will be kept in the participant's file, or in a separate "work file."

F. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

1. the type of violation (procedural, non-compliance, fraud);
2. whether the violation was intentional or unintentional;
3. what amount of money (if any) is owed by the participant;
4. if the family is eligible for continued participation.

G. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation.

1. Procedural Non-Compliance. This category applies when the participant "fails to" observe a procedure or requirement of the PHA, but does not misrepresent a material fact, and there is no retroactive payments owed by the family.
 - a. Examples of Non-Compliance Violations are:
 - failure to appear at a pre-scheduled appointment;
 - failure to return verification in the time period specified by the PHA.
 - b. Warning Notice to the Family. In such cases, a notice will be sent to the family which contains the following:
 - a description of the non-compliance and the procedure, policy or obligation which was violated;
 - the date by which the violation must be corrected, or the procedure complied with;

- the action which will be taken by the PHA if the procedure or obligation is not complied with by the date specified by the PHA;
 - the consequences of repeated (similar) violations.
2. Procedural Non-Compliance - Retroactive Payments. When the family owes money to the PHA for failure to report changes in income or assets, the PHA will issue a Notification of Overpayment. This notice will contain the following:
- a. a description of the violation and the date(s);
 - b. any amounts owed to the PHA;
 - c. a ten (10) business days response period;
 - d. the right to disagree and to request an informal hearing with instructions for the request of such hearing.
- Participant Fails to Comply with PHA's Notice. If the participant fails to comply with PHA's notice, and a material provision of the lease has been violated, the PHA will initiate termination of tenancy.
 - Participant Complies with PHA's Notice. When a participant complies with the PHA's notice, the staff person responsible will meet with him/her to discuss and explain the program provision that was violated. The staff person will complete a participant counseling report, give one copy to the family and retain a copy in the participant's file.

H. MISREPRESENTATIONS

When a participant falsifies, misstates, omits, or otherwise, misrepresents a material fact which results (or would have resulted) in an underpayment of participant's share, the PHA will evaluate whether or not the participant had knowledge that his/her actions were wrong, and the participant willfully violated the lease or the law.

1. Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.
2. The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:
 - an admission by the participant of the misrepresentation;
 - the act was done repeatedly;
 - if a false name or Social Security Number was used;
 - if there were admissions to others of the illegal action or omission;
 - the participant omitted material facts which were known to him/her (e.g., employment of self or other household members);

- the participant falsified, forged or altered documents;
- the participant uttered and certified to statements at a rent (re)determination, which were later independently verified to be false.

I. THE PARTICIPANT CONFERENCE FOR SERIOUS VIOLATIONS AND MISREPRESENTATIONS

When the PHA has established that material misrepresentation(s) has occurred, a Participant Conference will be scheduled with the family representative and the PHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the PHA. The purpose of such conference is to review the information and evidence obtained by the PHA with the participant, and to provide the participant an opportunity to explain any documented findings which conflict with representations in the participant's file. Any documents or mitigating circumstances presented by the participant will be taken into consideration by the PHA. The participant will be given five (5) business days to furnish any mitigating evidence.

A secondary purpose of the Participant Conference is to assist the PHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed actions, the PHA will consider:

- the duration of the violation and number of false statements;
- the participant's ability to understand the rules;
- the participant's willingness to cooperate and to accept responsibility for his/her actions regarding the amount of money involved;
- the participant's past history;
- whether or not criminal intent has been established.

J. DISPOSITION OF CASES INVOLVING MISREPRESENTATION

In all cases of misrepresentation involving efforts to recover monies owed, the PHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

1. Criminal Prosecution: If the PHA has established criminal intent, and the case meets the criteria for prosecution, the PHA will refer the case to the local State or District Attorney, notify HUD's Regional Inspector General for Investigations (RIGI), and terminate rental assistance.
2. Administrative Remedies: The PHA will terminate assistance and demand payment of restitution in-full.
3. PHA Legal Action: If restitution is not made within thirty (30) days and \$1,500.00 or more dollars are owed to the PHA due to participant fraud, the PHA will seek restitution through legal judicial channels.
4. Continue Assistance: Contingent upon full lump-sum restitution or minimal term repayment plan and warning that repeat of the offense will result in immediate

termination of assistance.

K. NOTIFICATION TO PARTICIPANT OF PROPOSED ACTION

1. The PHA will notify the resident, by pre-paid first class mail, of the proposed action no later than three (3) business days after the Participant Conference.
2. All notices will advise the family of their right to an informal hearing.

XXI. INFORMAL HEARINGS AND REVIEWS

A. DEFINITIONS

1. Informal Review. A review of the PHA's decision on an applicant's application for participation in the Section 8 Housing Choice Voucher Program in accordance with the procedures outlined below.
2. Informal Hearing. A hearing regarding a decision affecting a participating family in the Section 8 Housing Choice Voucher Program in accordance with the procedures outlined below.
3. Informal Review Officer. A person designated to informally review a decision concerning an application for participation and give his/her decision.
4. Informal Hearing Officer. A person designated to conduct an informal hearing concerning a participant and gives his/her decision.

B. PROCEDURES FOR INFORMAL REVIEW

1. The PHA shall give an applicant written notice of a decision denying assistance or a decision denying listing on the waiting list within ten (10) calendar days from the date of the decision.
2. The notice shall contain a brief statement of the reason(s) for the decision, that the applicant may submit a signed written request for an informal review of the decision if he/she disagrees with the decision, and that the request must be made within ten (10) calendar days from the date of the notice, and that the applicant should keep proof of making the request.
3. The PHA may or may not conduct an informal review if the applicant fails to submit his/her request within the time stipulated. If the request is not submitted timely, it shall mean that the applicant waived his/her right to request an informal review.
4. Reasonable accommodations shall be made for applicants who are disabled.
5. The PHA shall conduct an informal review, provided the applicant submits a proper request for an informal review within the time allowed.

6. Informal Review Officer

- a. The PHA shall designate any person or persons as the review officer(s). The power to designate any person or persons as review officer or review officers shall rest with the PHA.
- b. The person or persons designated as the review officers shall not be the person who made or approved the decision under review or a subordinate of such person.

7. The Informal Review

- a. The proceedings of the review shall be informal and confined to factors relating to program eligibility and a determination of whether the decision of denying assistance to the applicant is justified or not.
- b. The PHA shall notify the applicant of the date, time and place of conducting the informal review at least a week prior to the date of the review.
- c. The applicant shall have the right to present his objections either orally or in writing.
- d. A representative of the Section 8 Department may be present.

8. The Decision

- a. The review officer or officers shall decide whether the decision denying assistance to the applicant was justified and according to the Federal regulations and rules of the PHA. This final decision shall be given within seven (7) calendar days from the date of the review.
- b. The PHA shall promptly notify the applicant in writing of the final decision, and a brief statement of the reasons for the final decision.

9. Informal Reviews are not required for established policies and procedures and determinations such as:

- a. Discretionary administrative determinations;
- b. General policy issues or class grievances;
- c. A determination of the family unit size under the subsidy standards;
- d. Refusal to extend or suspend a Voucher;
- e. Disapproval of a lease;
- f. Determination that a unit is not in compliance with HQS;
- g. Determination that a unit is not in accordance with HQS due to family size or composition.

C. PROCEDURES FOR INFORMAL HEARING

1. The PHA will provide participants with the opportunity for an Informal Hearing for decisions related to any of the following determinations:

- a. Termination of assistance;
- b. Determination of the family's annual or adjusted income and the calculation of the housing assistance payment;
- c. Family unit size determination under the subsidy standards;

- d. Determination to terminate assistance for any reason;
 - e. Notice of Determination to pay an owner/landlord claim for damages, unpaid rent or vacancy loss.
- 2. Informal Hearings are not required for established policies and procedures such as:
 - a. Discretionary administrative determinations;
 - b. General policy issues or class grievances;
 - c. Establishment of the schedule of utility allowances;
 - d. Determination not to approve an extension or suspension of a voucher term;
 - e. Determination not to approve a unit or lease;
 - f. Determination that an assisted unit is not in compliance with HQS (the PHA must provide a hearing for family breach of HQS because that is a family obligation determination);
 - g. Determination that the unit is not in accordance with HQS because of the family size;
 - h. Determination to exercise or not exercise any right or remedy against the owner/landlord under a HAP contract.
- 3. Notice to Participant
 - a. When decisions are made, the PHA shall give the participant prompt written notice of the decision made.
 - b. The written notice shall contain a brief statement of the reasons for the decision, and a statement that if the participant does not agree with the decision, she/he may request an informal hearing on the decision within ten (10) calendar days from receipt of the notice.
 - c. The PHA may or may not conduct an informal hearing if the participant does not request an informal hearing within the time fixed herein to do so. If the request is not submitted timely, it shall mean that the participant waived his/her right to request an informal hearing.
- 4. The Hearing Officer
 - a. The PHA will designate any person or persons as hearing officer or hearing officers to conduct the informal hearing. The power to designate a hearing officer shall rest solely with the PHA.
 - b. The hearing officer can be any person other than a person who made or approved the decision under review, or a subordinate of such person.
- 5. Rights of the Participant
 - a. The participant can either appear in person at the hearing, or can be represented by a lawyer or other representative at his/her own expense.
 - b. The participant shall have the right to present evidence, both oral and documentary, without regard to admissibility under the rules of evidence applicable to judicial proceedings.
 - c. The client shall have the right to arrange for an interpreter to attend the

hearing, at the client's expense.

6. Rights of the PHA

- a. The PHA can be represented by a lawyer, or any other representative in the informal hearing.
- b. The PHA can introduce evidence, both oral and documentary, without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- c. The PHA shall have the right to question any witness examined in the informal hearing and to make final submissions.

7. The Informal Hearing

- a. The hearing officer will regulate the conduct of the hearing in accordance with hearing procedures commonly accepted and followed.
- b. If the participant who requested the informal hearing fails to appear at the hearing on the date set for hearing without any request for an adjournment on strong grounds, the matter will be decided by the parties that are present, or dismissed immediately with no right for its restoration. The hearing officer may or may not allow an application for adjournment.
- c. The participant will begin his/her case by introducing documents it relies on and by taking oral testimony of witnesses in support of his/her contention.
- d. The PHA will then begin its defense by introducing documents it relies on and by taking oral statements from witnesses, if necessary, in justification of its decision.
- e. The participant and the PHA will then close their cases and make final submissions, if they choose to, prior to the decision.

8. The Decision

- a. The hearing officer will consider the evidence introduced by the parties and give such evidence due weight.
- b. Factual determinations relating to the individual circumstances of the participant shall be based on the evidence presented at the hearing.
- c. The decision shall be in writing and based on the facts established, HUD regulations, PHA policy, and the applicable law.
- d. The decision shall clearly state the reason on which the decision is arrived.
- e. A copy of the decision shall be furnished promptly to the participant.

D. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

1. 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 decisions on the CIS appeal.
2. Assistance to a family may not be terminated or denied while the PHA hearing is

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pending but assistance to an applicant may be delayed pending the PHA hearing.

3. CIS Determination

- a. If a family member claims to be an eligible immigrant and the CIS SAVE system and manual search do not verify the claim, the PHA notifies the applicant or participant within ten (10) days of their right to appeal to the CIS within thirty (30) days or to request an informal hearing with the PHA either in lieu of or subsequent to the CIS appeal.
- b. If the family appeals to the CIS, they must give the PHA a copy of the appeal and proof of mailing or the PHA may proceed to deny or terminate. The time period to request an appeal may be extended by the PHA for good cause.
- c. The request for a PHA hearing must be made within fourteen (14) days of receipt of the notice offering the hearing or, if an appeal was made to the CIS, within fourteen (14) days of receipt of that notice.

4. After receipt of a request for an informal review/hearing, the review/hearing is conducted as described in section D. of 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 member(s) the PHA will:

- a. Deny the applicant family;
- b. Defer termination if the family is a participant and qualifies for deferral;
- c. Terminate the participant if the family does not qualify for deferral.

5. If there are eligible members in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible member(s).

6. All other complaints related to eligible citizen/immigrant status:

- a. If any family member fails to provide documentation of 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.
- b. 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.
- c. 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.
- d. Families denied or terminated for fraud in connection with the non-citizen rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

E. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH

DISABILITIES

1. When applicants are denied placement on the waiting list, or the PHA 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.
2. 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.

XXII. REPAYMENT AGREEMENTS

A. ESTABLISHING THE AGREEMENT

1. Repayment Agreements are executed with Section 8 families and owners/landlords who owe the PHA funds.
2. Repayment Agreements with families may be established if the family did not report all of its income.
3. Section 8 families are permitted to have (1) Repayment Agreement and must satisfy 75% of debt owed before negotiating any additional debt or enter into a new assistance year.
4. Any additional money owed will have to be paid-in-full.

B. ENFORCING REPAYMENT AGREEMENTS

1. The Section 8 office will set up monthly payments on the Repayment Agreements.
2. If the participant is two (2) or more months behind, the participant's assistance may be terminated.
3. If the resident enters into a Repayment Agreement after the execution of the HAP Contract and does not pay, the Section 8 office will require the family to bring their Repayment Agreement current prior to issuance of a Voucher to move to another unit.
4. A participant may not have more than two (2) Repayment Agreements during their entire participation in the HCV program.
5. If the resident refuses to satisfy or resolve unpaid rent, damages, or vacancy

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loss, the Section 8 office will continue paying HAP in their current unit, but the Section 8 office will refuse to issue a Voucher to move until the family repays the amount owed in-full.

6. The Section 8 office must notify the family of the amount of its liability and inform them of the consequences if they do not pay.

C. INELIGIBILITY FOR REPAYMENT AGREEMENTS

If the Section 8 office determines that the family committed willful and intentional fraud, the Section 8 office will require the family to repay the entire amount in-full or have their assistance terminated. Two occurrences within a calendar year will be defined as a repeated offense. Repeated offenses by the family will be cause for termination of assistance.

D. OWNER/LANDLORD FRAUD AND PROGRAM ABUSE

1. When the Section 8 office determines that the owner/landlord has retained Housing Assistance Payments the owner/landlord was not entitled to, the Section 8 office may reclaim or hold the Housing Assistance Payment amount from future Housing Assistance Payments owed the owner/landlord pending investigation and outcomes.
2. The Section 8 office will use HUD Guidebooks as a guide in dealing with owner/landlord fraud and program abuse, which may include barring the owner/landlord from participating in the Section 8 Housing Choice Voucher Program.

XXIII. OPERATING RESERVE EXPENDITURES STATEMENT

Operating Reserves This amount is credited with earned income administrative fees that exceed expenditures for program administration.

A. REQUIRED USE FOR PROGRAM ADMINISTRATION

1. The operating reserve must first be used to pay Section 8 administrative costs that exceed earned administrative fees or a fiscal year.
2. Projected administrative fees and the Operating Reserve must cover all projected costs of program administration through the remaining ACC terms.

B. PERMITTED USE FOR OTHER HOUSING PURPOSES

Operating reserve funds may be expended for other housing purposes consistent with the State and local law. If the PHA anticipates that ongoing fees will not be sufficient for ongoing administrative cost through its ACC terms, an appropriate amount must be retained in the Operating Reserve for projected administrative cost.

C. BOARD OF COMMISSIONERS APPROVAL FOR OPERATING RESERVE EXPENDITURES

1. The Board of Commissioners has set a threshold for the amount of annual expenditures, which may be made from the Operating Reserve for other housing purposes without prior approval of the Board.
2. For Operating Reserve expenditures that exceed the Board threshold, the PHA Board, as part of its approval, must make an affirmative determination that the expenditures are necessary and reasonable for the other purposes consistent with state and local law.

GLOSSARY

Acronyms Used in Subsidized Housing

ACC	Annual Contributions Contract.
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as “the regulations”. The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement statute.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
CR	Contract Rent
EBL	Elevated Blood-Lead Level
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMHA	U.S. Department of Rural Development (formerly: Farmers Home Administration)
FMR	Fair Market Rent
FSS	Family Self-Sufficiency
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
GR	Gross Rent
HA	Housing Agency

HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HCVP	Housing Choice Voucher Program
HQS	Housing Quality Standards
HUD	The Department of Housing And Urban Development
HURRA	Housing and Urban/Rural Recovery Act of 1983
HV	Housing Voucher
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant IRA Individual Retirement Accountant
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PHA	Public Housing Authority
PMSA.	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QHWRA	Quality Housing and Work Responsibility Act
QC	Quality Control
RLA	Request for Lease Approval - Changed to Request for Tenancy Approval
RFP	Request for Proposal
RRP	Rental Rehabilitation Program
RTA	Request for Tenancy Approval
SEMAP	Section 8 Management Assessment Program
SRO	Single Room Occupancy

SSMA	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
UARP	Utility Allowance Reimbursement Payment
URP	Utility Reimbursement Payment

DEFINITIONS

Section 8 Program

Absorption

In portability, the point at which the receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

Accessible

1. When used with respect to the design, construction, or alteration of a facility or a portion of a facility other than an individual dwelling unit, means that the facility or portion of the facility when designed, constructed or altered, can be approached, entered, and used by individuals with physical disabilities. The phrase "accessible to and usable by" is synonymous with accessible.
2. When used with respect to the design, construction, or alteration of an individual dwelling unit, means that the unit is located on an accessible route, and when designed, constructed, altered or adapted, can be approached, entered, and used by individuals with physical disabilities.

A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in 24 CFR, Part 8, Section 8.32, is "accessible" within the meaning of this paragraph 2.

When a unit in an existing facility which is being made accessible as a result of alterations is intended for use by a specific qualified individual with disabilities (e.g., a current occupant of such unit or of another unit under the control of the same recipient, or an applicant

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on a waiting list), the unit will be deemed accessible if it meets the requirements of applicable standards that address the particular disability or impairment of such person.

Accessible Route

A continuous unobstructed path connecting accessible elements and spaces in a building or facility that complies with the space and reach requirements of applicable standards prescribed by 24 CFR, Part 8, Section 8.32.

An accessible route that serves only accessible units occupied by persons with hearing or vision impairments need not comply with those requirements intended to effect accessibility for persons with mobility impairments.

Adaptability

The ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars, to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without disabilities, or to accommodate the needs of persons with different types or degrees of disability.

For example, in a unit adaptable for a hearing-impaired person, the wiring for visible emergency alarms may be installed, but the alarms need not be installed until such time as the unit is made ready for occupancy by a hearing-impaired person.

Adjusted Income means Annual Income less the following allowances, determined in accordance with HUD instructions:

1. \$480 for each Dependent;
2. \$525 for any Elderly or Disabled Family;
3. For any family that is not an Elderly Family or disabled family, but has a member other than the head of household or spouse, Disabled Assistance Expenses not to exceed ten percent (10%) of Annual Income, but this allowance may not exceed the employment income received by Family members who are 18 years of age or older, as a result of the assistance to the Disabled Person; Note: under HOTMA, the increase in allowance must follow a phased in approach as follows:
 - 5% Year One
 - 7.5% Year Two
 - 10% Year Three
4. For any Elderly or Disabled Family;
 - a. That has no disability assistance expenses, an allowance for Medical Expenses, equal to the amount by which the Medical Expenses do not exceed ten percent (10%) of Annual Income;
 - b. That has Disability Assistance Expenses greater than or equal to ten percent (10%) of Annual Income, an allowance for Disability Assistance expenses computed in accordance with paragraph 3, above.
 - c. That has Disability Assistance Expenses that are less than ten percent (10%) of Annual Income, an allowance for combined Disability Assistance Expenses and Medical Expenses, that is equal to the amount by which the sum of these expenses do not exceed ten percent (10%) of Annual Income.
5. Child Care Expenses/Deduction.

Under HOTMA a family may qualify for a hardship exemption for the child-care expense deduction. HOTMA allows the deduction to continue for a household that no longer has a member who is employed or seeking to further their education.

To qualify, the household must demonstrate:

- That it cannot pay the increased rent due to the loss of the child care deduction, and
- That the child-care expense deduction is still needed even though no family member is employed, seeking employment, or furthering their education.

The hardship exemptions will expire at a family's next regular income reexamination, or when the household is able to pay rent using the regular income calculation.

Hardship Exemption, Health and Medical Care Deductions

HOTMA requires PHAs to allow qualifying families a hardship exemption if a family can demonstrate that they would not be able to pay the rent due to the higher 10% threshold to benefit from the health and medical deduction.

Under this hardship exemption, a PHA or owner will recalculate a family's income by deducting the amount of health and medical expenses that exceed 6.5% of a family's income. (That 6.5% hardship threshold is the midpoint between 3% and 10%)

The hardship exemptions will expire at a family's next regular income reexamination, or when the family is able to pay rent using the regular income calculation.

Additional Deductions

HOTMA allows PHAs to adopt additional deductions for voucher participants. Any other Deductions will be at the discretion of the PHA.

Admission

The effective date of the first HAP contract for a family (first day of initial lease term) in a resident based program. This is the point when the family becomes a participant in the program.

Annual Contributions Contract (ACC)

A contract under the Housing Act of 1937, as amended, between HUD and the PHA, containing the terms and conditions under which the Department assists the PHA in providing decent, safe, and sanitary housing for low-income families.

The ACC must be in a form prescribed by HUD, under which HUD agrees to provide assistance in the development, modernization, and/or operation of a low-income housing development under the Act, and the PHA agrees to develop, modernize, and operate the development in compliance with all provisions of the ACC and the Act, and all HUD regulations and implementing requirements and procedures.

A written agreement between HUD and a PHA to provide annual contributions to the PHA to cover housing assistance payments and other expenses pursuant to the Act.

Annual Income

1. Annual Income means all amounts, monetary or not, which:
 - a. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
 - b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 - c. Which are not specifically excluded in this section.
 - d. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
2. Annual Income includes, but is not limited to:
 - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - b. 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;
 - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be used as deductions in determining the net income. An allowance for depreciation is permitted only as authorized in the paragraph immediately above this paragraph. 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 \$50,000, 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;
 - d. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other

- similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided under Annual Income exclusions);
- e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see the paragraph on lump sum additions to family assets, below).
 - f. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities, and such amount 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:
 - (1) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
 - (2) 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 notably 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.
 - g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
 - h. All regular pay, special pay and allowances of a member of the Armed Forces (but see paragraph below, on special pay to an Armed Forces person exposed to hostile fire).
3. Annual Income does not include the following (**Exclusions**):
- a. Income from the employment of children (including foster children) under the age of 18 years;
 - b. Payment received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);
 - c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and Workers' Compensation), capital gains and settlement for personal or property losses (but see the paragraph on payments in lieu of earnings, above).
 - d. Amounts received by the family, that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
 - e. Income of a Live-In Aide, as defined in the regulations, who is a person who resides with an Elderly, Disabled Person or Persons and who:
 - (1) Is determined to be essential to the care and well-being of the Person(s);
 - (2) Is not obligated for the support of the Person(s); and
 - (3) Would not be living in the unit except to provide the necessary supportive services.
 - f. The full amount of student financial assistance paid directly to the student or to the educational institution;
 - g. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;
 - h. Amounts received under training programs funded by HUD;
 - i. 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); or
- j. 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;
 - k. *A resident service stipend.* A resident service stipend is a modest amount (not to exceed \$200 per month) received by a public housing resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No Resident may receive more than one such stipend during the same period of time;
 - l. 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;
 - m. Temporary, nonrecurring or sporadic income (including gifts);
 - n. 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;
 - o. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - p. Adoption assistance payments in excess of \$480 per adopted child;
 - q. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment, or in prospective monthly amounts;
 - r. 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;
 - s. 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;
 - t. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937, including the following:
 - (1) The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977. [7 United States Code (USC) § 2017 (b)];
 - (2) Payment to volunteers under the Domestic Volunteer Service Act of 1973. [42 USC § 5044(g), § 5058];
 - (3) Payments received under the Alaska Native Claims Settlement Act. [43 USC § 1626(c)];
 - (4) Income derived from certain sub-marginal land of the United States, that is held in trust for certain Indian tribes. [25 USC § 459(e)];
 - (5) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. [42 USC § 8624(f)];
 - (6) Payments received under programs funded in whole or in part under the Job Training Partnerships Act. [29 USC § 1552(b)];
 - (7) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians. [Public Law (P.L.) 94-540, 90 Stat. 2503-2504];

- (8) The first \$2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims [25 USC § 1407- 1408), or from funds held in trust for an Indian tribe by the Secretary of the Interior. [25 USC § 117b, 1407];
 - (9) 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 USC § 1087uu]. Since Pell Grants are funded under Title IV, PHAs should exclude the FULL value of any Pell Grant. These changes are effective 10-1-92;
 - (10) Payments received from programs funded under Title V of the Older Americans Act of 1965. [42 USC § 3056(f)];
 - (11) Payments received on and after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the “In Re Agent Orange product” liability litigation. [M.D.L. No. 381 (E.D.N.Y.);
 - (12) Payments received under the Maine Indian Claims Settlement Act of 1980. [P.L. 96-420, 94 Stat. 1785];
 - (13) 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 USC § 9858q]. This change was effective November 4, 1992;
 - (14) Earned Income Tax Credit (EITC) refund payments received after January 1, 1991. [USC § 32(j)];
 - (15) Deferred Periodic Payments of Social Security and Supplemental Security Income (SSI) received after October 28, 1992. This lump sum payment may represent the accumulation of periodic payments from a preceding period. Collections activity on deferred periodic payments regardless of when they were received. See Notice PIH 93-11 issued March 16, 1993;
 - (16) Holocaust reparations received after April 23, 1993. [42 USC § 1437a, § 1437d, § 1437n and § 3535(d)].
4. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period.

Applicable Surface

All intact and non intact interior and exterior painted surfaces of a residential structure (with reference to lead-based paint poisoning prevention).

Applicant

Applicant, 18 years old or older (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

Assisted Lease

A written agreement between an owner/landlord and a Family for the leasing of a dwelling unit by the owner/landlord to the Family under a Housing Assistance Contract between the owner/landlord and the PHA.

In the case of cooperative of mutual housing, "lease" means the occupancy agreement or other written agreement establishing the conditions for occupancy of the unit.

Auxiliary Aids

Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

For example, auxiliary aids for persons with impaired vision may include readers, Brailled materials, audio recordings, and other similar services and devices.

Auxiliary aids for persons with impaired hearing may include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDD's), interpreters, note takers, written materials, and other similar services and devices.

Child

A member of the family, other than the family head or spouse, who is under 18 years of age.

For continued assistance under Restrictions on Assistance to Non-citizen only: Biological or adopted children only. Stepchildren (not related to either the head of the household or the spouse) and guardianship of minors (either formal or informal) are excluded.

Child Care Expenses

Amounts anticipated being paid by the Family for the care of children under thirteen (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 be gainfully employed to actively seek employment, 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, and in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income.

Reasonable childcare expenses, as defined by the PHA, shall not exceed the actual costs incurred.

Citizen

A citizen (by birth or naturalization) or national of the United States.

Codes

Includes building codes, housing codes, health and safety codes, sanitation codes and any law, ordinance or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy or use of a dwelling unit.

Common Space

Space available for use by assisted families and other occupants of the unit.

Consolidated ACC

Consolidated annual contributions contract. See § 982.151.

Contiguous MSA

In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

Continued Assistance Family

This is a mixed family who meets all the following requirements:

1. The family was receiving assistance under a Section 214 covered program on June 19, 1995, and
2. whose head of the household or spouse has eligible immigration status according to the requirements of the restrictions on assistance to non-citizen, and
3. the family does not include any person (who does not have eligible immigration status) other than:
 - The head of the household;
 - Any spouse of the head of the household;
 - Any parents of the head of the household;
 - Any parents of the spouse;
 - Any children of the head of the household or spouse.

This does not define “family” for purposes of eligibility at the PHA (see “Family” in this Definition section.)

A family entitled to continued assistance before November 29, 1996 is entitled to continued assistance as described in the above paragraph. A family entitled to continued assistance after November 29, 1996 shall receive prorated assistance as described in section 5.520.

Continuously Assisted

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

Contract Rent

The total amount of rent specified in the Housing Assistance Payments (HAP) Contract as payable to the owner/landlord by the Family, and by HUD or the PHA on the Family's behalf.

The monthly rent which an owner/landlord is entitled to receive for the leasing of a Manufactured Home Space to an Assisted Family, including any separate fees or charges. This rent includes the maintenance and management services described in the definition of Manufactured Home Space, but excludes ongoing utility charges. Separate fees or charges for services or facilities not included in the definition of Manufactured Home Space shall be included in the Contract Rent only if their payment is required as a condition of the leasing of the Manufactured Home Space. In the case of a cooperative Manufactured Home park, "Contract Rent" means the charges under the occupancy agreements between the members and the cooperative.

Contract of Participation

A contract in a form approved by HUD, entered into between a participating family and a PHA operating an FSS program that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered into between the PHA and all members of the family who elect to participate in the FSS program, and which plans are attached to the contract of participation as exhibits.

Controlled Substance

Any drug or other substance, or immediate precursor included in the definition in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

Decent, Safe and Sanitary Housing

Housing is decent, safe and sanitary if the requirements of 982.401 are met (Housing Quality Standards).

Defective Paint Surface

Paint on applicable surfaces that is cracking, scaling, chipping, peeling or loose (with reference to lead-based paint poisoning prevention).

Dependent

A member of the Family household (except foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a person with a disability, or is a full- time student.

Deposit

Means an amount of currency, or an instrument delivered to the owner/landlord by the resident as a pledge to abide by terms or conditions of the rental agreement.

Dilapidated Housing

See the definitions of Substandard Housing.

Disability Assistance Expenses

Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled Person or Family

A person or family whose head, spouse, or sole member is a person with disabilities; or two (2) or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. A person who is under a disability, as defined in Section 233 of the Social Security Act (42 U.S.C. 423), or who has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 (7)).

Section 223 of the Social Security Act defines disability as:

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

People who have been diagnosed with alcoholism or drug abuse are not part of the definition of "disabled".

Discriminatory Housing Practice

An act that is unlawful under Section 804, 805, 806, or 818 of the Fair Housing Act.

Displaced Person or Family

A person or family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. (See also the definition of Involuntary Displacement. See 24 CFR, Part Subpart A, Section 5.420.)

Domicile

The legal residence of the household head or spouse as determined in accordance with State and local law.

Drug Abuse and Other Criminal Activity Definitions

- Adult (Drug-Related and criminal Activity) - a person who is 18 years of age or older, or has been convicted of a crime as an adult under any federal, state or tribal law.
- Covered Person - a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
- Currently Engaging in Illegal Use of a Drug - with respect to behavior such as illegal use of a drug, other drug-related criminal activity, or other criminal activity, *currently engaging in*, means that the individual has engaged in the behavior recently enough to justify a reasonable belief that the individual's behavior is current.
- Drug - a controlled substance as defined in section 102 of the Controlled Substance Act.
- Drug Abuse Treatment Facility - An entity: (a) that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to illegal drug use; and (b) that is either an identified unit within a general care facility, or an entity other than a general medical care facility.

Drug-Trafficking

The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Dwelling

Any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof.

Dwelling Unit

A single unit of residence for a family of one or more persons. Examples of dwelling units include: a single family home; an apartment unit within an apartment building; and in other types of dwellings in which sleeping accommodations are provided, but toileting or cooking facilities are shared by occupants of more than one room or portion of the dwelling, rooms in which people sleep. Examples of the latter include dormitory rooms and sleeping accommodations in shelters intended for occupancy as a residence for homeless persons.

Earned Income

Earned income means income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment (see 24 CFR 5.609). Earned income does not include any pension or annuity, transfer payments, any cash or in kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family.

Effective Date of Contract

Effective date of contract of participation means the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation.

Elderly Person

A person who is at least 62 years of age. Allowance for medical expenses may be allowed for persons who are elderly but not disabled.

Elderly Household

A household whose head and/or spouse is considered elderly by definition. Allowance for medical expenses may be allowed for all persons who reside in the household.

Elevated Blood Lead Level

Excessive absorption of lead, that is, a confirmed concentration of lead in whole blood of 25 ug/dl (micrograms of lead per deciliter of whole blood) or greater.

Employer Identification Number

The taxpayer identifying number of an individual, trust, estate, partnership, association, company, or corporation that is assigned pursuant to Section 6011(b) of the Internal Revenue Code of 1986, or corresponding provisions of prior law, or pursuant to Section 6109 of the Code. The Employer Identification Number has nine digits separated by a hyphen, as follows: 00- 0000000.

Enrollment

Enrollment means the date that the FSS family entered into the contract of participation with the PHA.

Entrance

Any access point to a building or portion of a building used by residents for the purpose of entering.

Eviction

Means any action initiated by the owner/landlord to regain possession of a dwelling unit and use of the premises.

Evidence of Citizenship of Eligible Immigration Status

The documents which must be submitted to evidence citizenship or eligible immigration status.

Exterior

All areas of the premises outside of an individual dwelling unit.

Extremely Low-Income Families

Families with incomes below thirty percent (30%) of the area median and households of various

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races and ethnic groups--within the Quality Housing Work Responsibility Act (QHWRA).

Facility

All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act

Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3600-3620).

Fair Market Rent

The rent, including utilities (except telephone), and all maintenance, management, and other services, which would be required to be paid in order to obtain privately owned, existing, decent, safe, and affordable rental housing of modest (non-luxury) nature with suitable amenities in the market area.

Fair Market Rents are used by PHAs in the Housing Voucher Program to develop the payment standard used to determine the appropriate amounts of housing assistance to be paid on behalf of participating families.

The rent which would be required to be paid in order to obtain a privately owned, decent, safe and affordable Manufactured Home Space of a modest nature. This rent includes maintenance and management services described in the definition of Manufactured Home Space for single- wide and double-wide Manufactured Home Spaces. Rents for double-wide spaces will be permitted for Assisted Families of five (5) or more persons so long as the Manufactured Home meets the minimum occupancy standards for families. Fair Market Rents will be established by HUD and will be published in the Federal Register.

Familial Status

One or more individuals (who have not attained the age of 18 years) being domiciled with:

1. A parent or another person having legal custody of such individual or individuals; or
2. The designee of such parent or other person having such custody, with the written permission of such parent or other person.

The protections afforded against discrimination on the basis of familial status apply to any person who is pregnant, or is in the process of securing legal custody of any individual who has not attained the age of the eighteen (18) years.

Family

"Family" includes, but is not limited to: the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A single person, who may be:
 - An elderly person, displaced person, disabled person, near-elderly person, or any other single person.
 - An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90

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days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C 675(5)(H), and is homeless or is at risk of becoming homeless at age 16 or older:

2. A group of persons residing together, and such group includes, but is not limited to:
 - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family)
 - An elderly family
 - A near-elderly family
 - A disabled family
 - A displaced family
 - The remaining member of a tenant family.

Family Income

Means Monthly Income as defined in HUD regulations, i.e., using Annual Income divided by 12.

Family Self-Sufficiency

Family Self Sufficiency program or FSS program means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by Section 23 of the U.S. Housing Act of 1937.

Family Share

In the voucher program, the portion of the rent to owner paid by the family. It is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner. Same as Tenant Rent. Family share will only equal TTP when rent to owner includes all utilities and is equal to or less than the payment standard.

Family Unit Size

The appropriate number of bedrooms for a family. Family unit size is determined by the PHA under the PHA subsidy standards.

Former Federal Preferences (24 CFR Sec. 982.207)

The PHA may implement the following former federal preferences as Local Preferences:

1. working families (head or spouse);
2. families for person with a disability;
3. victims of domestic violence;
4. single persons who are elderly, displaced, homeless or a person with disabilities; and
5. provide the same benefit to families whose head and spouse, is either 62 or older or a person with disabilities (if the PHA adopts local preference for working families).

FSS Account

FSS account means the FSS escrow account authorized by Section 23 of the U.S. Housing Act of 1937, and as provided by § 984.305 of this part.

FSS Credit

FSS credit means the amount credited by the PHA to the participating family's FSS account.

FSS Family

FSS family or participating family means a family that receives assistance under the rental voucher programs, and that elects to participate in the FSS program, and whose designated head of the family has signed the contract of participation.

FSS Related Service Program

Means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of "supportive services" set forth in 24 CFR § 984.

FSS Slots

FSS slots refer to the total number of rental vouchers that comprise the minimum size of a PHA's Section 8 FSS program.

First Occupancy

A building that has never before been used for any purpose.

FMR

Fair Market Rent. Defined in 24 CFR 982.4.

Full-Time Student

A person, head of household and/or spouse, who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree. Full-Time Student category not allowed for Head of Household or spouse for exclusion purposes.

Good Faith

Means honesty in fact, in the conduct of the transaction concerned, as evidenced by all surrounding circumstances.

Gross Rent

The total monthly cost of housing an eligible Family, which is the sum of the Contract Rent and any Utility Allowance. In the case of rental of only a manufactured home space, Gross Rent also includes the Family's monthly payment to amortize the purchase price of the manufactured home.

Ground Floor

A floor of a building with a building entrance on an accessible route. A building may have more than one ground floor.

Guest

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.

HA

A housing authority--both a public housing agency and an Indian housing authority.

Handicap/Disability

With respect to a person, a physical or mental impairment which substantially limits one or more of such person's major life activities; a record of having such an impairment, or being regarded as having such an impairment.

This term does not include current, illegal use of or addiction to a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802)).

For the purpose of 24 CFR Part 100, Discriminatory Conduct Under the Fair Housing Act, an individual shall not be considered to have a disability solely because that individual is a transvestite (a person, especially a male, who dresses in the clothing of the opposite sex for psychological reasons).

Handicapped/Disabled Assistance Expenses

Reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a Disabled Family member, and that are necessary to enable a Family member (including the Disabled member) to be employed, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

Handicapped/Disabled Person (included under “Disabled”)

A person having a physical or mental impairment that:

1. Is expected to be of long-continued and indefinite duration;
2. Substantially impedes the person's ability to live independently; and
3. Is of such a nature that such ability could be improved by more suitable housing conditions.

Has a Record of Such an Impairment

As used in the definition of Disability, means has a history of, or has been mis-classified as having, a mental or physical impairment that substantially limits one or more major life activities.

Head of Household

The adult member of the family, 18 years old or older, who is the head of the household for purposes of determining income eligibility and rent.

Home-visit (telephone interview)

When applicants/participants are unable to physically come into the PHA's office due age or medical condition, a home-visit (telephone interview) can be done to gather the needed to either complete an application for housing or for annual re-certification. Verifications needing signatures can be either mailed to the individual or other arrangements can be made at PHA's discretion.

Housing Agency (PHA)

Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in, or to assist in the development or operation of low-income housing. For the purposes of 24 CFR, Part 942, Resident Participation and Management in Public Housing, the term Public Housing Agency does not include Indian Housing Authorities. As used in 24 CFR, Part 965, Subpart E, Resident Allowance for Utilities, PHA includes an Indian Housing Authority.

Housing Assistance Payment

The monthly assistance payment by an PHA. The total assistance payment consists of:

1. A payment to the owner/landlord for rent to owner/landlord under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner/landlord. In the certificate program, the additional payment is called a "utility reimbursement."

Housing Assistance Payments Contract

A written contract between the PHA and an owner/landlord in the form prescribed by HUD headquarters, for the purpose of providing housing assistance payments to the owner/landlord on behalf of an Eligible Family.

Housing Quality Standards

The HUD minimum quality standards for housing assisted under the resident-based programs.

Housing Choice Voucher Program

The statutory merger of the Section 8 tenant-based certificate and voucher programs into the new Housing Choice Voucher program and makes other amendments to other provisions of the interim rule published on May 14, 1999.

Housing Voucher Contract

A written contract between a PHA and an owner/landlord, in the form prescribed by HUD for the Housing Voucher Program, in which the PHA agrees to make housing assistance payments to the owner/landlord on behalf of an Eligible Family.

Housing Voucher Holder

A family that has an unexpired housing voucher.

HUD

The Department of Housing and Urban Development or its designated officer or employee.

HUD Local Office

Any HUD Office which has been delegated authority under the U.S. Housing Act of 1937 to perform functions pertaining to the area in which the PHA is located.

Income Limits

HUD establishes Very Low Income and Low Income limits that are used to determine if assisted housing program applicants qualify for admission to HUD assisted programs. These income limits are based on HUD estimates for area median family income (using Metropolitan Statistical Areas or Primary Metropolitan Statistical Areas as defined by the Office of Management and Budget (OMB), and the Bureau of the Census definition of family) with specific statutorily permissible adjustments. If the income limits based on this approach would be less than if based on the relevant State non-metropolitan median family income level, income limits are based on the State non-metropolitan family income level.

Independent Group Residence

1. A dwelling unit for the exclusive residential use of two to twelve elderly or disabled individuals (excluding live-in Resident Assistant(s) if any), who are not capable of living independently, and who require a planned program of continual supportive services.
2. Individuals residing in an Independent Group Residence and receiving Section 8 assistance shall not require continual medical or nursing care, and shall be ambulatory or not require continual medical or nursing care, and shall be ambulatory or not confined to a bed continuously, and must be capable of taking appropriate actions for their own safety under emergency conditions.

Individual Lease Shared Housing

The type of Shared Housing in which the PHA enters into a separate HAP Contract for each assisted Family residing in a Shared Housing unit.

Individual Training Services Plan

Means a written plan that is prepared for the head of the FSS family, and each adult member of the FSS family who elects to participate in the FSS program, by the PHA in consultation with the family member, and which sets forth:

1. The supportive services to be provided to the family member;
2. The activities to be completed by that family member; and
3. The agreed upon completion dates for the services and activities. Each individual training and services plan must be signed by the PHA and the participating family member, and is attached to, and incorporated as part of the contract of participation. An individual training and services plan must be prepared for the head of the FSS family.

Individual With Disability

A person having a physical or mental impairment that (a) is expected to be of long-continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could be improved by more suitable housing conditions.

Initial Contract Rent

The contract rent at the beginning of the initial lease term.

Initial PHA

In portability, the term refers to both:

1. A PHA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting PHA.
2. A PHA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing PHA.

Initial Lease Term

The initial term of the assisted lease. The initial lease term is at least one year. At the PHA's discretion, lease term may be shorter than 1 year.

INS

The U.S. Immigration and Naturalization Service. Now renamed U.S. Citizenship and Immigration Services (CIS).

Interior

The spaces, parts, components or elements of an individual dwelling unit.

Interim Reexaminations

Some Housing Authorities also call this "special" reexaminations. The family must comply with regulations requiring them to report changes in income and family composition. The PHA requires the reporting of the changes within 10 days of the effective change (or other date as established by the PHA). The Housing Authority must determine if there is to be an adjustment to the Total Tenant Payment, Tenant Rent, and/or Housing Assistance Payment.

Is Regarded as Having an Impairment

As used in the definition of Disability, means:

1. Has a physical or mental impairment that does not substantially limit one or more major life activities, but that is treated by another person as constituting such a limitation;
2. Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
3. Has none of the impairments defined under the definition of "physical or mental impairment," below, but is treated by another person as having such an impairment.

Jurisdiction

The area in which the PHA has authority under State and local law to administer the program.

Lead-Based Paint

A paint surface, whether or not defective, identified as having a lead content greater than or equal to one microgram of lead per square centimeter (one centimeter is slightly more than three- eights of an inch).

Lease

1. A written agreement between an owner/landlord and a resident for the leasing of a dwelling unit to the resident. The lease established the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner/ landlord and the PHA.
2. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement established the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

Lease Addendum

In the lease between the resident and the owner/landlord, the lease language required by HUD.

Live-In Aide

A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

1. Is determined by the PHA to be essential to the care and well-being of the person or persons;
2. Is not obligated for support of the person or persons; and
3. Would not be living in the unit except to provide necessary supportive services. (See the

Local Preference

1. A preference used by the PHA to select among applicant families.
2. PHA cannot deny or otherwise penalize a family solely because the family resides in public housing.

Low-Income Family

A family whose Annual Income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low-income family.

Major Life Activities

As used in the definition of Disability, means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

Manufactured Home

A structure, with or without a permanent foundation, which is built on a permanent chassis, is designed for use as a principle place of residence, and meets the HUD Housing Quality Standards set forth in 24 CFR, Part 8, Sections 882.109 and 887.473.

Manufactured Home Space

The space, leased by an owner/landlord to an Assisted Family, on which the Manufactured Home owned and occupied by the Family is located. The space shall include all maintenance and management services necessary for decent, safe and sanitary housing, such as maintenance of utility lines, garbage and trash collection, and maintenance of roads, walkways and other common areas and facilities.

Marriage

Marriage certified by a formal marriage license, or an informal marriage, as may be specified in State or local laws or regulations.

Medical Expenses

Those 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. (Medical expenses are allowable only for Elderly or Disabled Families.)

Minor

A person who is under the age of legal competence, less than 18 years old, unless otherwise determined by State Law.

Mixed Family

A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly Adjusted Income

One-twelfth of Adjusted Income.

Monthly Income

One-twelfth of Annual Income.

National

A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession, including Puerto Rico, the U.S. Virgin Islands, Guam, Canal Zone, etc.

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 home-ownership programs.
2. The value of necessary items of personal property, such as furniture and automobiles, shall be excluded.
3. 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.
4. In determining Net Family Assets, the Authority shall include the value of any assets disposed of by an applicant or resident for less than fair market value, including a disposition in trust, but not in a foreclosure or bankruptcy sale, during the two (2) years preceding the date of application for the program, or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident received important consideration not measurable in dollar terms.

Non-citizen

A person who is neither a citizen nor a national of the United States.

Normal Wear and Tear

Means deterioration which occurs, based upon the use for which the rental unit is intended, without negligence, carelessness, accident, abuse or intentional damage of the premises, equipment or chattels of the owner/landlord by the resident, members of the resident's household, or by his/her invitees or guests. However, uncleanliness does not constitute normal wear and tear.

Owner/Landlord

Any person or entity, including a cooperative, having the legal right to lease or sublease a unit to a participant.

Participant

A family that has been admitted to the PHA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment Standard

In the voucher program, an amount used by the PHA to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent. The PHA adopts a payment standard for each bedroom size and for each fair market rent area in the PHA jurisdiction. The payment standard for a family is maximum monthly subsidy payment.

Person

Includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in cases under Title 11 of the United States Code, receivers, and fiduciaries.

PHA Jurisdiction

The area in which the PHA is not legally barred from entering into Housing Assistance Contracts.

Physical or Mental Impairment

As used in the definition of Disability, includes:

1. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; Genitourinary; hemic and lymphatic; skin; and endocrine; or
2. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

Portability

Renting a dwelling unit with Section 8 resident-based assistance outside the jurisdiction of the initial PHA.

Preference Over Single Persons

An applicant that is a one- or two-persons elderly, disabled or displaced family, must be given a preference over an applicant that is a single person who is not an elderly, displaced person, or a person with disabilities.

Premises

The building or complex in which the dwelling units is located, including common areas and grounds.

Public Housing Agency (PHA)

Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in, or to assist in the development or operation of low-income housing.

Public Use Areas

Interior or exterior rooms or spaces of a building that are made available to the general public. Public use may be provided at a building that is privately or publicly owned.

Qualified Individual With Disabilities

1. With respect to employment, an individual with disabilities who, with reasonable accommodation, can perform the essential functions of the job in question; and
2. With respect to any non employment program or activity which requires a person to perform services or to achieve a level of accomplishment, an Individual With Disabilities who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the recipient can demonstrate would result in a fundamental alteration in its nature; or
3. With respect to any other non-employment program or activity, an Individual With Disabilities who meets the essential eligibility requirements for participation in, or receipt of benefits from, that program or activity.

Essential eligibility requirements include stated eligibility requirements, such as income, as well as other explicit or implicit requirements inherent in the nature of the program or activity, such as requirements that an occupant of multifamily housing be capable of meeting the recipient's selection criteria, and be capable of complying with all obligations of occupancy with or without supportive services provided by persons other than the recipient.

Reasonable Accommodation

Means making alterations or adaptation to provide access to otherwise qualified individuals with disabilities, in the use of the program and facilities, without causing undue hardship or substantially altering the program or activity.

Reasonable Rent

A rent to owner/landlord that is not more than either:

1. Rent charged for comparable units in the private unassisted market; or
2. Rent charged by the owner/landlord for a comparable assisted or unassisted unit in the building or premises.

Residency Preference (24 CFR Sec. 982.207)

Eliminates the explicit requirement that PHA's seek HUD approval before establishing a residency preference (although the Section 8 Administrative plan is a supporting document to the annual PHA Plan). PHA's may adopt a residency preference if the preference does not delay or deny admission to the program based on race, color ethnic origin, gender, religion, disability or age. Residency area must not be smaller than a county or municipality.

Receiving PHA

In portability, an PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher, and provides program assistance to the family.

Regular Reexaminations

The PHA must reexamine the income and composition of all families at least once every twelve (12) months. The family is required to submit any certification, release, information or documentation that the Housing Authority or HUD has determined necessary.

The PHA will adjust the Total Tenant Payment and Housing Assistance Payment to reflect the changes in income and family composition.

Related Lease Shared Housing

The type of Shared Housing in which the PHA enters into a single HAP Contract for two assisted Families residing in a Shared Housing unit.

Rent to Owner/landlord

The monthly rent payable to the owner/landlord under the lease. Rent to owner/landlord includes payment for any services, maintenance and utilities to be provided by the owner/landlord in accordance with the lease.

Rental Voucher

A document issued by an PHA to a family selected for admission to the voucher program. The voucher describes the program, and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Resident

Means a person entitled, under a rental agreement, to occupy a dwelling unit in peaceful possession, to the exclusion of others, and includes the owner/landlord of a mobile home renting premises, other than a lot or parcel in a mobile home park, for use as a site for the location of the mobile home.

Responsible Entity

The person or entity responsible for administering the restrictions on providing assistance to Non-citizens with ineligible immigration status:

1. For the Section 8 Rental Housing Voucher and the Section 8 Moderate Rehabilitation programs, the housing authority (PHA) administering the program under an ACC with HUD;
2. For all other Section 8 programs, the owner/landlord.

Section 214

Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a). Section 214 restricts HUD from making financial assistance available for non-citizen unless they meet one of the categories of eligible immigration status specified in Section 214. See also paragraph 1-2, Authority.

Section 214 Covered Programs

Programs to which the restrictions imposed by Section 214 apply are programs that make available financial assistance pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437-1440), Section 235 or Section 236 of the National Housing Act (12 U.S.C. 1715z-1) and Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

Section 504

Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, as it applies to programs or activities receiving Federal financial assistance.

Setup Charges

Charges payable by an Assisted Family for assembling, skirting and anchoring the mobile home unit.

Sex-Offender

HUD determines a sex-offender to be someone who is required to be registered in a “State life-time sexual offender” registry.

Single Family Residence

Means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling unit, it is a single family residence if it has direct access to a street or thoroughfare and shares neither heating facilities, hot water equipment, nor any other essential facility or service with any other dwelling unit.

Single Person

A person, 18 years old or older, who lives alone, or intends to live alone, and who does not qualify as an Elderly Family, a Displaced Person, or the Remaining Member of a Resident Family.

Single Room Occupancy Housing

A unit which contains no sanitary facilities or food preparation facilities, or which contains one but not both types of facilities (as those facilities are defined in 24 CFR 882.109(a) and (b) and which is suitable for occupancy by a single eligible individual capable of independent living. The unit is located within a multifamily structure consisting of more than 12 units.

Social Security Number

The number that is assigned to a person by the Social Security Administration of the Department of Health and Human Services, and that identifies the record of the person's earnings that are reported to the Administration.

The Social Security Number has nine digits separated by hyphens, as follows: 000-00-0000. It does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary under the Social Security System.

Special Admission

Admission of an applicant that is not on the PHA waiting list, or without considering the applicant's waiting list position.

Special Reexaminations

See Interim Reexaminations.

Spouse

Means the husband or wife of the head of the household.

Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common law marriage. It does not cover boyfriends, girlfriends, significant others, or “co-head.” “Co-head” is a term

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recognized by some HUD programs, but not be public and Indian housing programs. This definition applies to Restrictions on Assistance to Non-citizen.

State

Any of the several States of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes.

Statement of Family Responsibility

An agreement, in the form prescribed by HUD, between the PHA and a Family to be assisted under the Program, stating the obligations and responsibilities of the two parties.

Subsidy Standards

Standards established by an PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions (see definition of “family unit size”).

Substandard Housing Preference

1. A unit is substandard if it:
 - a. Is dilapidated;
 - b. Does not have operable indoor plumbing;
 - c. Does not have a usable flush toilet inside the unit for the exclusive use of a family;
 - d. Does not have a usable bathtub or shower inside the unit for the exclusive use of a family;
 - e. Does not have electricity, or has inadequate or unsafe electrical service;
 - f. Does not have a safe or adequate source of heat;
 - g. Should, but does not, have a kitchen; or
 - h. Has been declared unfit for habitation by an agency or unit of government.
2. Other definitions.
 - a. Dilapidated unit. A housing unit is dilapidated if:
 - (1) The unit does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family; or
 - (2) The unit has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or repair or from serious damage to the structure.
 - b. Homeless family.
 - (1) An applicant that is a "homeless family" is considered to be living in substandard housing.
 - (2) A "homeless family" includes any person or family that:
 - (a) Lacks a fixed, regular, and adequate nighttime residence; and also
 - (b) Has a primary nighttime residence that is:
 - (A) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing);
 - (B) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - (C) A public or private place not designed for, or ordinarily used as, a

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regular sleeping accommodation for human beings.

- (3) A "homeless family" does not include any person imprisoned or otherwise detained pursuant to an Act of Congress or a State law.
- (4) Status of SRO housing. In determining whether an individual living in single room occupancy (SRO) housing qualifies for federal preference, SRO housing is not considered substandard solely because it does not contain sanitary or food preparation facilities.

Suspension

Stopping the clock on the term of a family's voucher for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

Temporary Deferral

Temporary deferral of termination of assistance is granted, the deferral period shall be for an initial period not to exceed six (6) months. The initial period may be renewed for additional periods of six (6) months, but the aggregate deferral period for deferrals provided after November 29, 1996 shall not exceed a period of eighteen (18) months. The aggregate deferral period for deferrals granted prior to November 29, 1996 shall not exceed three (3) years. These time periods do not apply to a family which includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act.

Tenant

The person or persons (other than a live-in aide) who executed the lease as lessee of the dwelling unit.

Tenant-Based

Rental assistance that is not attached to the structure.

Tenant Rent

In the voucher program, the portion of the rent to the owner paid by the family. It is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner.

Term

Means the period of occupancy specified in the rental agreement.

Total Tenant Payment

Total Tenant Payment for families whose initial lease is effective on or after August 1, 1982:

Total tenant payment is the amount calculated under section 3(a)(1) of the 1937 Act (42 U.S.C. 1437a(a)(1)). Total Tenant Payment shall be the highest of the following, rounded to the nearest dollar:

1. 30 percent of Monthly Adjusted Income;
2. 10 percent of Monthly Income; or
3. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under paragraph (C) of section 3(a)(1) of the 1937 Act (42 U.S.C. 1437a(a)(1)(C)) shall be the amount resulting from one application of the percentage.
4. A minimum amount of tenant rent plus utility allowance as defined by the housing agency

up to \$50.00

U.S. Citizenship and Immigration Services (CIS)

Formerly the U.S. Immigration and Naturalization Service (INS).

Utility Allowance

If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the Contract Rent, but is the responsibility of the Family occupying the unit, an amount equal to the estimate made or approved by the PHA or HUD under applicable sections of HUD regulations of the monthly costs of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances, consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility Allowance Reimbursement Payment

See Utility Reimbursement

Utility Hook Up Charges

Costs payable by an Assisted Family for connecting its Manufactured Home to utilities such as water, gas, electrical and sewer lines.

Utility Reimbursement Payment

In the voucher program, the portion of the housing assistance payment that exceeds the amount of rent to the owner. May also be referred to as Utility Allowance Reimbursement Payment.

Very Low-Income Family

1. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.
2. HUD may establish income limits higher or lower than 50 percent of the median income for the area, on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

Veteran

1. Means any person honorably discharged from the Armed Forces of the United States, who served in, but not limited to, World War I, between April 6, 1917, and November 11, 1918, both dates inclusive; or in World War II, on or after December 7, 1941, until final cessation of all hostilities; or in the Korean Conflict; Lebanon Crisis; Berlin Crisis; the Congo; the Dominican Republic, and Vietnam.
2. "Veteran" does not include a person enlisted and accepted for active training only for a period of six (6) months or less.

Violent Criminal Activity

Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher (rental voucher)

A document issued by an PHA to a family selected for admission to the voucher program. The voucher describes the program, and the procedures for PHA approval of a unit selected by the

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family. The voucher also states the obligations of the family under the program.

Waiting List Admission

An admission from the PHA waiting list.

Welfare Assistance

Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.

Welfare-to-Work

Families assisted by a PHA with Voucher funding awarded to the PHA under the HUD welfare-to-work voucher program.

Appendix A

MCALLEN HOUSING AUTHORITY SECTION 8 HOMEOWNERSHIP PROGRAM IMPLEMENTATION PLAN

I. GENERAL PROVISIONS

The McAllen Housing Authority Section 8 Homeownership Program permits eligible participants of the Section 8 Housing Choice Voucher Program the option of purchasing a home with their Section 8 assistance rather than renting.

Eligible applicants for the Section 8 home ownership program must be current Section 8 Housing Choice Voucher participants. These applicants must meet the requirements as listed in the Family Eligibility Requirement section of this Implementation Plan.

The home ownership option is limited to 20 families of the total Section 8 voucher program administered by the McAllen Housing Authority in any fiscal year. The Board of Commissioners may also revise this number at any time. Section 8 homeownership assistance may be used to purchase the following type of homes within the City of McAllen: new or existing single-family homes, condominium, or manufactured homes.

II. FAMILY ELIGIBILITY REQUIREMENTS

Participation in the Section 8 homeownership program is voluntary. Each Section 8 homeownership participant must meet the general requirements for continued occupancy to the Section 8 Housing Choice Voucher Program as set forth in the McAllen Housing Authority's Administrative Plan. Such Section 8 family also must be "designated eligible" to participate in the homeownership program.

The eligibility requirements for participation in the homeownership program include that the family must: (A) be a first time homeowner; (B) with the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources; (C) with the exception of elderly and disabled households, meet the requisite employment criteria;

(D) must be a current Section 8 Housing Choice Voucher participant; (E) not have any outstanding debt owed to the McAllen Housing Authority or any other Housing Authority; (F) not have defaulted on a mortgage securing debt to purchase a home under a similar homeownership program at another jurisdiction; (G) not have any current household family member who has a present ownership interest in a residence at the commencement of homeownership assistance and (H) meet other eligibility factors as required by the McAllen Housing Authority.

A. FIRST TIME HOMEOWNER

Each Section 8 family, except families with a disabled member, must be a first time homeowner. A "first time homeowner" means that no member of the household has had an interest in any residence during the three years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first time homeowner" for purposes of the Section 8 homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest". A member of a cooperative (as defined in CFR 24 Chapter X Part 982.4 also qualifies as a "first time homeowner".

B. MINIMUM INCOME REQUIREMENT

At the time the family is designated eligible and begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2000 hours. ($\$5.15 \times 2000 = \$10,300$)

With the exception of elderly and disabled families, MHA will disregard any welfare assistance income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families (TANF); Supplemental Security Income (SSI) that is subject to an income eligibility test; food stamps; general assistance; or -other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program. It does not affect the determination of income eligibility for continued occupancy to the Section 8 Housing Choice Voucher Program, calculation of the family's total tenant payment or calculation of the amount of homeownership assistance payments.

C. EMPLOYMENT HISTORY

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of 41-re sales agreement. In order to reasonably accommodate a family's participation in the program, the Housing Authority will exempt families that include a person with disabilities from this requirement. The Executive Director may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director may also consider successive employment during a one-year period and self-employment in a business.

D. PARTICIPANTS

Applicants for the Homeownership Program must be current Section 8 Housing Choice Voucher

Program participants. Participants must also meet the other eligibility factors as listed in Item II of this section.

E. REPAYMENT OF HOUSING AUTHORITY DEBTS

Participants in the Section S Housing Choice Voucher Program shall not be eligible for participation in the Homeownership Program in the event any debt or portion of a debt remains owned to the McAllen Housing Authority. Other Housing Authorities, and current and/or previous landlords. Nothing in this provision will preclude Section participants that have fully repaid such debt or debts from participating in the Section Homeownership Program subject to meeting the other eligibility requirements.

F. PRIOR MORTGAGE DEFAULTS

If a head of household, spouse or other adult household member who will execute the contract of sale, a mortgage and loan document has previously defaulted on a mortgage obtained through the Section 8 Homeownership Program at another jurisdiction, the family will not be eligible to participate in the Homeownership Program.

G. OWNERSHIP INTERESTS

Section 8 participants in the Homeownership Program must demonstrate that all members of the household as listed on record on an existing Section S Housing Choice Voucher have no present or pending interest in a residence prior to being designated eligible for the Homeownership Program.

H. OTHER ELIGIBILITY FACTORS

Section 8 participants in the Homeownership Program must meet these additional eligibility factors to be "designated eligible". Families must have been in the Section Housing Choice Voucher program for at least one year; families must demonstrate being current (no late rent payments) with their share of rent at their current or previous rental unit for at least one year; and families must demonstrate no lease violations (occupancy, maintenance, disturbances, etc.) from the landlord or management of the current or previous rental unit for at least one year as part of the minimum down payment requirement. Families will be required to pay at least 1% of the purchase price.

M. FAMILY PARTICIPATION REQUIREMENTS

Once a family is determined to be eligible to participate in the program they must comply with the following processes: (A) complete a home ownership counseling program approved by the McAllen Housing Authority prior to commencement of homeownership assistance; (B) within an agreed upon time between the family and the Housing Authority, locate the home the family proposes to purchase; (C) submit a sales agreement containing specific components to the Housing Authority for approval; (D) allow the Housing Authority or designated representative to inspect the proposed home to assure that the dwelling unit meets appropriate housing quality standards and obtain an independent inspection covering major building systems; (E) obtain Housing Authority approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and (F) enter into a written agreement with the Housing Authority to comply with all of family obligations under the Section 8 Program.

A. Homeownership Counseling Program

A family's participation in the homeownership program is conditioned on the family attending and successfully completing a homeownership and housing counseling program provided or approved by McAllen Housing Authority prior to commencement of homeownership assistance. The homeownership and counseling program will include but is not limited to cover home maintenance; budgeting and money management, credit counseling; negotiating purchase price; securing mortgage financing; finding a home; and the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families.

The counseling component must be provided and presented by an approved counseling agency. The McAllen Housing Authority may require families to participate in a Housing Authority approved homeownership-counseling program on a continuing basis.

B. Locating and Purchasing a Home

A family approved for Section 8 homeownership assistance may purchase the following types of homes within the City of McAllen: a new or existing home, a single-family home, a condominium, a home in a planned use development, a cooperative.

Upon approval for the Section 8 Homeownership program, a family shall have one hundred eighty (180) days to locate a home to purchase. A home shall be considered located if the family submits a proposed sales agreement with the required components to the Housing Authority. During a Section 8 participant's search for a home to purchase, their rental assistance shall continue pursuant to the Administrative Plan and compliance with program requirements. If a family is not able to locate a home to purchase within the 180 days, they must remain in the Housing Choice Voucher program for an additional year to be reconsidered for this program.

Once a home is located and a sales agreement approved by the McAllen Housing Authority is signed by the family, the family shall have up to three (3) months, or such other time as approved by the Executive Director or set forth in the approved sales agreement to purchase the home. If a family is unable to complete the purchase of the home during this time, they may not re-apply for the homeownership program until they have completed an additional year of participation in the Housing Choice Voucher program.

Families may enter into a "Lease-Purchase" agreement while receiving Section 8 rental assistance. Families may also enter into a "Lease-Purchase" agreement in the current rental unit for which they receive housing assistance. All requirements of the Housing Choice Voucher Program apply to "Lease-Purchase" agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase related expenses; a "homeownership premium". Any homeownership premium, defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from the McAllen Housing Authority's rent reasonableness determination and subsidy calculation and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must notify the Housing Authority and apply for the homeownership option. If determined eligible for the homeownership program, the family must meet all the requirements of these policies. A family exercising this option will only have three (3) months to finalize a sales agreement. If a family is unable to complete the "Lease-Purchase" of the home during this time, they may not re-apply for the homeownership program until they have completed an additional year of participation in the Housing Choice Voucher program.

C. Sales Agreement

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the McAllen Housing Authority for approval. The sales agreement must provide

for inspection by the Housing Authority and the independent inspection referred to in Section III (D) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to the Housing Authority. The contract must also provide that the purchaser is not obligated to pay for any necessary repairs without approval by the Housing Authority. The sales agreement must provide that the purchaser is not obligated to purchase if the Housing Authority pursuant to Section III (E) does not approve the mortgage financing terms. The sales agreement must also contain a seller certification that the seller is not debarred suspended or subject to a limited denial of participation under, 24 CFR Part 24.

D. Initial and Independent Inspections

To assure the home complies with the housing quality standards of the Section 8 program, homeownership assistance payments may not commence until the McAllen Housing Authority first inspects the home. A professional selected by the family and approved by the Housing Authority also must complete an independent inspection of existing homes covering major building systems. The Housing Authority will not pay for the independent inspection. The independent inspection report must be provided to the Housing Authority. The Housing Authority may disapprove the unit due to information contained in the report or for failure to meet federal housing quality standards.

E. Financing Requirements

The proposed financing terms must be submitted to and approved by the Housing Authority prior to close of escrow. The Housing Authority shall determine the affordability of the family's proposed financing. In making such determination, the Housing Authority may take into account other family expenses, including but not limited to childcare, non-reimbursable medical expenses, education and training expenses and the like. Certain types of financing, including but not limited to, balloon payment mortgages, unless convertible to a variable rate mortgage, are prohibited and will not be approved by the Housing Authority. Seller financed mortgages shall be considered by the Housing Authority on a case-by-case basis.

F. Compliance With Family Obligations

A family must agree, in writing, to comply with all family obligations under the Section 8 Housing Choice Voucher Program and the Housing Authority's homeownership policies. These obligations include: (1) attending ongoing homeownership counseling, as required by the Housing Authority; (2) complying with the mortgage terms; (3) not selling or transferring the home to anyone other than a member of the assisted family who resides in the home while receiving homeownership assistance; (4) not refinancing or adding debt secured by the home without prior approval of the Housing Authority; (5) not obtaining a present ownership interest in another residence while receiving homeownership assistance; and (6) supplying all required information to the Housing Authority, including but not limited to annual verification of household income, notice of change in homeownership expenses, notice of move-out, and notice of mortgage default. (See Family Obligations Form - Appendix D)

AMOUNT OF ASSISTANCE

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly homeownership expense; and the family's household income. The McAllen Housing Authority will pay the lower of either the payment standard minus the total tenant payment ("TIP") or the family's monthly homeownership expense minus the TIP. The Section 8 family will pay the difference.

A. Determining: the Payment Standard

In the homeownership program, the initial payment standard will be the lower of either (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. The payment standard for subsequent years will be based on the, higher of (1) the payment standard in effect at commencement of the homeownership assistance; or (2) the payment standard in effect at the most recent regular re-examination of the family's income and size. The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. The McAllen Housing Authority will request HUD approval of a higher payment standard, up to 120% of the published Fair Market Rent limit, where warranted as a reasonable accommodation for a family that includes a person with disabilities.

B. Determining the Monthly Homeownership Expense

Monthly homeownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments, homeowner's insurance; maintenance expenses per Housing Authority allowance; costs of major repairs and replacements per Housing Authority allowance (replacement reserves); utility allowance per Housing Authority's schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements and improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include Housing Authority approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home; principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt; home insurance; the allowances for maintenance expenses, major repairs and replacements and utilities; and principal and interest on debt incurred to finance major repairs, replacements, or improvements including changes needed to make the home accessible.

C. Determining Total Tenant Payment

The TIP is that portion of the homeownership expense that the family must pay. It is generally 30% of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

D. Payment to Family or Lender

The McAllen Housing Authority will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay the Housing Authority's contribution towards the family's homeowner expense. A two party check will be issued directly to the lender and the family. The family will be responsible to submit the amount that they are required to the lender.

V. TERMINATION OF SECTION 8 HOMEOWNERSHIP ASSISTANCE

A. Grounds for Termination of Homeownership Assistance

(1) Failure to Comply with Family Obligations Under the Section 8 Program or McAllen Housing Authority Homeownership Policies

A family's homeownership assistance may be terminated if the family fails to comply with its obligation under the Section 8 program, Housing Authority's homeownership policies, or if the family defaults on the mortgage. If required, the family must attend and complete ongoing home ownership and housing counseling classes. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide the Housing Authority with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and homeownership expenses on an annual basis; and notice of mortgage default received by the family; and any other notices which may be required pursuant to the Housing Authority's homeownership policies. A family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

(2) Occupancy of Home

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the Housing Authority will not continue homeownership assistance commencing with the month the family moves out. Neither the family nor the lender is obligated to reimburse the Housing Authority for homeownership assistance paid for the month the family moves out.

(3) Changes in Income Eligibility

A family's homeownership assistance may be changed in the month following annual re-certification of the household income, but participation in the Section 8 Homeownership Program shall continue until such time as the assistance payment amounts to \$0 for a period of six (6) consecutive months.

(4) Maximum Term of Homeownership Assistance

Notwithstanding the provisions of Section V (A), subparagraphs 1 through 3, except for disabled and elderly families, a family may receive Section 8 homeownership assistance for not longer than ten (10) years from date of close of escrow. Families - that qualify as -elderly at the commencement of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the provision of homeownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership

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annual basis; and notice of mortgage default received by the family; and any other notices which may be required pursuant to the Housing Authority's homeownership policies. A family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

(2) Occupancy of Home

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the Housing Authority will not continue homeownership assistance commencing with the month the family moves out. Neither the family nor the lender is obligated to reimburse the Housing Authority for homeownership assistance paid for the month the family moves out.

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A family's homeownership assistance may be changed in the month following annual recertification of the household income, but participation in the Section 8 Homeownership Program shall continue until such time as the assistance payment amounts to \$0 for a period of six (6) consecutive months.

(4) Maximum Term of Homeownership Assistance

Notwithstanding the provisions of Section V (A), subparagraphs 1 through 3, except for disabled and elderly families, a family may receive Section 8 homeownership assistance for not longer than ten (10) years from date of close of escrow. Families that qualify as elderly at the commencement of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the provision of homeownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of homeownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that homeownership payment are made, or is a spouse of any member of the household who has an ownership interest.

B. Procedure of Termination of Homeownership Assistance

A participant in the Section 8 Homeownership program shall be entitled to same termination notice and informal hearing procedures as set forth in the Administrative Plan of the McAllen Housing Authority for the Section 8 Housing Choice Voucher Program.

NIL CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

Default on FHA Insured Mortgage

If the family defaults on a FHA insured mortgage, the Housing Authority may permit the family to move with continued Section 8 Housing Choice rental assistance in the family demonstrates that it has (a) conveyed title to the home to HUD or its designee, as required by HUD; and (b) moved from the home within the period established or approved by HUD.

B. Default on non-FHA Insured Mortgage

If the family defaults on a mortgage that is not FHA insured, the Housing Authority may permit the family to move with continued Section 8 Housing Choice Voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender, to the Housing Authority or to its designee, as may be permitted or required by the lender and (b) moved from the home within the period established or approved by the lender and/or the Housing Authority.

CALL N HOUSING AUTHORITY ADMINISTRATIVE FEE

For each month that homeownership assistance is paid by the Housing Authority on behalf of the family, the Housing Authority shall be paid the ongoing administrative fee described in 24 CFR 982.152 (b).

VIE WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES.

The Executive Director of the McAllen Housing Authority shall have the discretion to waive or modify any provision of the Section 8 Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

Appendix B

The Housing Authority of the City of McAllen (MHA) Emergency Housing Voucher (EHV) Policy

INTRODUCTION

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) (P.L. 117-2). Section 3202 of the ARP appropriated \$5 billion for the creation, administration, and renewal of new incremental emergency housing vouchers (EHVs) and other eligible expenses related to COVID-19.

On May 5, 2021, HUD issued Notice PIH 2021-15, which described HUD's process for allocating approximately 70,000 EHVs to eligible PHAs and set forth the operating requirements for PHAs who administer them. Based on criteria outlined in the notice, HUD notified eligible PHAs of the number of EHVs allocated to their agency, and PHAs were able to accept or decline the invitation to participate in the program. **MHA accepted and received an EHV award of fifty- four (54) vouchers on June 10, 2021.**

PHAs may not project-base EHVs; EHVs are exclusively tenant-based assistance.

All applicable nondiscrimination and equal opportunity requirements apply to the EHV program, including requirements that the PHA grant reasonable accommodations to persons with disabilities, effectively communicate with persons with disabilities, and ensure meaningful access for persons with limited English proficiency (LEP).

This chapter describes HUD regulations and MHA's policies for administering EHVs. The policies outlined in this chapter are organized into the following sections, as follows:

Part I: Funding

Part II: Partnering Agencies

Part III: Waiting List Management

Part IV: Family Eligibility

Part V: Housing Search and Leasing

Part VI: Use of Funds, Reporting, and Financial Records

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to EHVs.

PART I: FUNDING

FUNDING OVERVIEW

The American Rescue Plan Act of 2021 (ARP) provides administrative fees and funding for the costs of administering emergency housing vouchers (EHVs) and other eligible expenses defined in Notice PIH 2021-15. These fees may only be used for EHV administration and other eligible expenses and must not be used for or applied to other MHA programs or vouchers. MHA must maintain separate financial records from its regular HCV funding for all EHV funding.

Housing Assistance Payments (HAP) Funding

ARP funding obligated to MHA as housing assistance payments (HAP) funding may only be used for eligible EHV HAP expenses (i.e., rental assistance payments). EHV HAP funding may not be used for EHV administrative expenses or for the eligible uses under the EHV services fee.

The initial funding term will expire December 31, 2022. HUD will provide renewal funding to Public Housing Authorities (PHAs) for the EHVs on a calendar year (CY) basis commencing with CY 2023. The renewal funding allocation will be based on MHA's actual EHV HAP costs in leasing, similar to the renewal process for the regular HCV program. EHV renewal funding is not part of the annual HCV renewal funding formula; EHVs are renewed separately from the regular HCV program. All renewal funding for the duration of the EHV program has been appropriated as part of the ARP funding.

Administrative Fee and Funding

The following four types of fees and funding are allocated as part of the EHV program:

- **Preliminary fees** support immediate start-up costs that MHA will incur in implementing alternative requirements under EHV, such as outreach and coordination with partnering agencies:
 - \$400 per EHV allocated to MHA, once the consolidated annual contributions contract (CACC) is amended.
 - This fee may be used for any eligible administrative expenses related to EHVs.
 - The fee may also be used to pay for any eligible activities under EHV service fees.

- **Placement fees/expedited issuance reporting fees** will support initial lease-up costs and the added cost and effort required to expedite leasing of EHV:
 - \$100 for each EHV initially leased, if MHA reports the voucher issuance date in Public Housing Information Center–Next Generation (PIC–NG) system within 14 days of voucher issuance or the date the system becomes available for reporting or as further defined by HUD.
 - Placement fees:
 - o \$500 for each EHV family placed under a HAP contract effective within four months of the effective date of the ACC funding increment; or
 - o \$250 for each EHV family placed under a HAP contract effective after four months but less than six months after the effective date of the ACC funding increment.
 - o HUD will determine placement fees in the event of multiple EHV allocations and funding increment effective dates.
 - Placement/expedited issuance fees only apply to the initial leasing of the voucher; they are not paid for family moves or to turnover vouchers.
- **Ongoing administrative fees**, which are calculated in the same way as the standard HCV program:
 - PHAs are allocated administrative fees using the full column A administrative fee amount for each EHV under contract as of the first day of each month.
 - Ongoing EHV administrative fees may be subject to proration in future years, based on available EHV funding.
- **Services fees**, which are a one-time fee to support PHAs' efforts to implement and operate an effective EHV services program in its jurisdiction:
 - The fee is allocated once MHA's CACC is amended to reflect EHV funding.
 - The amount allocated is \$3,500 for each EHV allocated.

SERVICE FEES

Services fee funding must be initially used for defined eligible uses and not for other administrative expenses of operating the EHV program. Service fees fall into four categories:

- Housing search assistance
- Security deposit/utility deposit/rental application/holding fee uses
- Owner-related uses such as recruitment, outreach and owner incentives
- Other eligible uses such as moving expenses, tenant-readiness services, essential household items and renter's insurance if required by lease.

MHA Policy

In coordination with the EHV participant, CoC case manager and MHA's representative, a customized service fee allocation plan will be created to help each EHV participant successfully obtain and retain housing. If funds are identified from another resource in the community that resource will be utilized with no duplication of assistance. Generally, the allocation for each participant will not exceed \$3,500. However, depending on the needs of individual participants and if funds are available, the service fee dollar amount could go above this amount on a limited basis. This would be approved on a case-by-case basis, not to exceed \$5,000 for any given EHV participant.

The eligible uses for service fees include the following and will be paid subject to funding availability.

Housing search assistance, which may include activities such as, but not limited to, helping a family identify and visit potentially available units during their housing search, helping to find a unit that meets the household's disability-related needs, providing transportation and directions, assisting with the completion of rental applications and MHA forms, and helping to expedite the EHV leasing process.

Application fees/non-refundable administrative or processing fees/refundable application deposit assistance. MHA may assist the family with these expenses when other resources are unavailable.

Security deposit assistance. MHA may assist with the security deposit payment. The amount of the security deposit assistance may not exceed the lesser of two months' rent to owner, the maximum security deposit allowed under applicable state and/or local law, or the actual security deposit required by the owner. Security deposit assistance will be for initial move-ins and paid directly to the owner on behalf of the family when other resources cannot. MHA will not provide security deposit assistance for subsequent moves unless the family is required to move for reasons other than something the family did or failed to do. The owner refunds the security deposit balance, after deducting any amounts for repairs, to MHA when the client vacates the unit in accordance with the terms of the lease.

Utility deposit assistance. MHA may provide utility deposit assistance for family's utility deposit expenses. Utility deposit assistance includes connection fees required for the utilities to be supplied by the tenant under the lease. MHA may pay the utility deposit assistance directly to the utility company or may pay the assistance to the family when other resources cannot. If paid to the family, MHA will require documentation that the family paid the utility deposit. MHA will not require the utility supplier or family to return the utility deposit assistance to MHA.

Utility arrears. Some families may have large balances with gas, electric, water, sewer, or trash companies that will make it difficult to establish services for tenant-supplied utilities. MHA may provide the family with assistance to help address these utility arrears to facilitate leasing when other resources cannot.

Owner recruitment and outreach for EHV's. MHA may use the service fee funding to conduct owner recruitment and outreach. In addition to traditional owner recruitment and outreach, activities may include conducting pre-inspections or otherwise expediting the inspection process, providing enhanced customer service, and offering owner incentive and/or retention payments. ***Owner incentives will be offered/applied as a one-time payment as follows:**

- \$1,000 for a lease contract that is executed for a term of 12 months.
- \$1,500 for a lease contract that is executed for a term of 18 months.

*Owner incentive payments are contingent upon an owner's participation in the EHV program. MHA may request a full or partial return of owner incentive payments from owners who do not complete the lease contract for its initial term.

Owner retention payments. MHA may make retention payments to owners that agree to renew the initial lease of an EHV family. Payments will be made as a single payment at the lease renewal upon receipt of a new 12-month lease. Owner retention payments are not housing assistance payments, are not part of the rent to owner, and are not taken into consideration when determining whether the rent for the unit is reasonable. Retention payments will equal \$1,000 per lease renewal. Retention payments are only paid at renewal of the first lease term and owners are not eligible for a second retention payment.

Moving expenses (including move-in fees and deposits). MHA may provide assistance for moving expenses when they initially lease a unit with the EHV program. MHA will not provide moving expenses assistance for subsequent moves unless the family is required to move for reasons other than something the family did or failed to do. MHA will reimburse families upon providing a receipt for the incurred cost when other resources cannot. Maximum amount of reimbursement will be \$500.

Tenant-readiness services. MHA may use services fees to help create a customized plan to address or mitigate barriers that individual families may face in renting a unit with an EHV, such as negative credit, lack of credit, negative rental or utility history, or to connect the family to other community resources (including COVID-related resources) that can assist with rental arrears. MHA may run full criminal background, rental, and credit history checks for adult family members at initial voucher issuance at a cost not to exceed \$50 per adult with the family member's permission.

Essential household items. MHA may use service fee funding to assist the family with the costs of acquiring essential household items such as tableware, cooking equipment, beds or bedding, and essential sanitary products such as soap and toiletries. Upon initial lease-up, MHA may provide up to \$500, payable to the EHV family, to purchase household items. This is only provided one-time to the family and not for subsequent moves.

Renter's insurance. MHA may assist the family with some or all costs of renter's insurance, but only in cases where the purchase of renter's insurance is a condition of the lease. Maximum allowable assistance is \$500 for one policy. MHA will not assist with this expense beyond the initial lease term.

Any services fee assistance returned to MHA after its initial or subsequent use may only be applied to the eligible services fee uses defined in Notice PIH 2021-15 (or subsequent notice) or other EHV administrative costs. Any amounts not expended for these eligible uses when MHA's EHV program ends must be remitted to HUD.

PART II: PARTNERING AGENCIES

CONTINUUM OF CARE (CoC)

PHAs that accept an allocation of EHV are required to enter into a Memorandum of Understanding (MOU) with the Continuum of Care (CoC) to establish a partnership for the administration of EHV.

MHA Policy

MHA has entered into an MOU with the Texas Homeless Network (THN) and Hidalgo County Urban County Program (HCUCP) .

OTHER PARTNERING ORGANIZATIONS

MHA may, but is not required to, partner with other organizations trusted by persons experiencing homelessness, such as victim services providers (VSPs) and other community partners. If MHA chooses to partner with such agencies, MHA must either enter into an MOU with the partnering agency or the partnering agency may be added to the MOU between the MHA and CoC.

MHA Policy

MHA may choose to enter into an MOU with other partnering agencies or add the agency to the MOU with THN and HCUCP if it deems necessary to effectively serve the homeless.

REFERRALS

CoC and Partnering Agency Referrals

The primary responsibility of the CoC under the MOU with MHA is to make direct referrals of qualifying individuals and families to the PHA. MHA must generally refer a family that is seeking EHV assistance directly from MHA to the CoC or other referring agency for initial intake, assessment, and possible referral for EHV assistance. Partner CoCs are responsible for determining whether the family qualifies under one of the four eligibility categories for EHV. The CoC or other direct referral partner must provide supporting documentation to MHA verifying that the family meets one of the four eligible categories for EHV assistance.

MHA Policy

The CoC or partnering agency must establish and implement a system to identify EHV-eligible individuals and families within the agency's caseload and make referrals to MHA. The CoC or other partnering agency must certify that the EHV applicants referred to MHA meet at least one of the four EHV eligibility criteria. MHA will maintain a copy of the referral or certification from the CoC or other partnering agency in the participant's file along with other eligibility paperwork.

As part of the MOU, MHA and CoC or other partnering agency will identify staff positions to serve as lead EHV liaisons. These positions will be responsible for transmission and acceptance of referrals. The CoC or partnering agency must commit sufficient staff and other resources to ensure eligible individuals and families are identified and determined eligible in a timely manner.

The MHA liaison responsible for acceptance of referrals will contact the CoC or partnering agency liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. The CoC will submit referrals in a timely manner and in a method and format defined in the MOU.

Offers of Assistance with CoC Referral

MHA may make an EHV available without a referral from the CoC or other partnering organization in order to facilitate an emergency transfer under VAWA in accordance with MHA Emergency Transfer Plan.

MHA must also take direct referrals from outside the CoC if:

- The CoC does not have a sufficient number of eligible families to refer to MHA; or
- The CoC does not identify families that may be eligible for EHV assistance because they are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking.

If at any time MHA is not receiving enough referrals or is not receiving referrals in a timely manner from the CoC or other partner referral agency, HUD may permit MHA on a temporary or permanent basis to take EHV applications directly from applicants and admit eligible families to the EHV program in lieu of or in addition to direct referrals in those circumstances.

PART III: WAITING LIST MANAGEMENT

HCV WAITING LIST

The regulation that requires MHA to admit applicants as waiting list admissions or special admissions in accordance with HUD admission policies does not apply to MHA in reference to operating the EHV program. Direct referrals are not added to the MHA's HCV waiting list.

MHA must inform families on the HCV waiting list of the availability of EHV by posting the information to the official agency website or providing public notice in their respective communities in accordance with the requirements listed in Notice PIH 2021-15.

MHA Policy

MHA will inform the public and families on the HCV waiting list of the availability of EHV by posting the information on the MHA website. The notice will:

- Describe the eligible populations to which EHV are limited
- Clearly state that the availability of these EHV is managed through a direct referral process
- Advise the family to contact the CoC or any other applicable MHA referral partner

MHA will ensure effective communication with persons with disabilities, including those with vision, hearing, and other communication-related disabilities. MHA will also take reasonable steps to ensure meaningful access for persons with limited-English proficiency (LEP).

EHV WAITING LIST

The HCV regulations requiring PHAs to operate a single waiting list for admission to the HCV program do not apply to PHAs operating the EHV program. Instead, when the number of applicants referred by the CoC or partnering agency exceeds the EHV available, the PHA must maintain a separate waiting list for EHV referrals, both at initial leasing and for any turnover vouchers that may be issued prior to September 30, 2023.

Further, the EHV waiting list is not subject to PHA policies regarding opening and closing the HCV waiting list. MHA will work directly with its CoC and other referral agency partners to manage the number of referrals and the size of the EHV waiting list.

PREFERENCES

HCV Waiting List Preferences

If local preferences are established by MHA for HCV, they do not apply to EHV. However, if the PHA has a homeless preference or a VAWA preference for the HCV waiting list, MHA must adopt additional policies related to EHV in accordance with Notice PIH 2021-15.

MHA Policy

MHA has a preference for victims of domestic violence, dating violence, sexual assault, or stalking and a homeless preference for the HCV waiting list as outlined in Local Preferences.

MHA will refer any applicant on the waiting list who indicates they qualify for MHA's VAWA preference to the CoC or the applicable partnering referral agency. The CoC or partnering referral agency will determine if the family is eligible (based on the qualifying definition for EHV assistance for those fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking or another eligible category as applicable) for an EHV.

MHA will refer any applicant on the waiting list that indicates they qualify for the homeless preference to the CoC. The CoC will determine whether the family is eligible for an EHV (based on the qualifying definition for EHV assistance for homelessness or another eligible category as applicable). The CoC will also determine if the family is eligible for other homeless assistance.

EHV Waiting List Preferences

With the exception of a residency preference, MHA may choose, in coordination with the CoC and other referral partners, to establish separate local preferences for EHV. MHA may, however, choose to not establish any local preferences for the EHV waiting list.

MHA Policy

No local preferences have been established for the EHV waiting list. The THN, HCUCP (CoC) or partnering agency must establish and implement a system to identify EHV-eligible individuals and families within the agency's caseload and make referrals to MHA.

PART IV: FAMILY ELIGIBILITY

OVERVIEW

The CoC or referring agency determines whether the individual or family meets any one of the four eligibility criteria described in Notice PIH 2021-15 and then refers the family to MHA. MHA determines that the family meets other eligibility criteria for the HCV program, as modified for the EHV program and outlined below.

REFERRING AGENCY DETERMINATION OF ELIGIBILITY

In order to be eligible for an EHV, an individual or family must meet one of four eligibility criteria:

- Homeless as defined in 24 CFR 578.3;
- At risk of homelessness as defined in 24 CFR 578.3;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking (as defined in Notice PIH 2021-15), or human trafficking (as defined in the 22 U.S.C. Section 7102); or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability as determined by the CoC or its designee in accordance with the definition in Notice PIH 2021-15.

As applicable, the CoC or referring agency must provide documentation to MHA verifying that the family meets one of the four eligible categories for EHV assistance. MHA must retain this documentation as part of the family's file.

MHA SCREENING

Overview

HUD waived 24 CFR 982.552 and 982.553 in part for the EHV applicants and established alternative requirement for mandatory and permissive prohibitions of admissions. Except where applicable, MHA policies regarding denials do not apply to screening individuals and families for eligibility for an EHV. Instead, the EHV alternative requirement listed in this section will apply to all EHV applicants.

The mandatory and permissive prohibitions listed in Notice PIH 2021-15 and in this section, however, apply only when screening the individual or family for eligibility for an EHV. When adding a family member after the family has been placed under a HAP contract with EHV assistance, the regulations at 24 CFR 982.551(h)(2) apply. Other than the birth, adoption, or court-awarded custody of a child, MHA must approve additional family members and may apply its regular HCV screening criteria.

Mandatory Denials

Under alternative requirements for the EHV program, mandatory denials for EHV applicants include:

- 24 CFR 982.553(a)(1)(ii)(C), which prohibits admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- 24 CFR 982.553(a)(2)(i), which prohibits admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

MHA must deny admission to the program if any member of the family fails to sign and submit consent forms for obtaining information as required by 24 CFR 982.552(b)(3) but should notify the family of the limited EHV grounds for denial of admission first.

MHA Policy

MHA will deny admission to the program if any adult member (or head of household or spouse, regardless of age) fails to sign and submit consent forms. MHA will notify the family of the limited EHV grounds for denial of admission via email and mail.

Permissive Denial

Notice PIH 2021-15 lists permissive prohibitions for which MHA may, but is not required to, deny admission to EHV families. The notice also lists prohibitions that, while allowable under the HCV program, may not be used to deny assistance for EHV families.

If MHA intends to establish permissive prohibition policies for EHV applicants, the PHA must first consult with its CoC partner to understand the impact that the proposed prohibitions may have on referrals and must take the CoC's recommendations into consideration.

MHA Policy

MHA has not adopted any permissive prohibitions for the EHV program.

INCOME VERIFICATION AT ADMISSION

Self-Certification at Admission

The requirement to obtain third-party verification of income in accordance with Notice PIH 2018-18 does not apply to the EHV program applicants at admission, and alternatively, PHAs may consider self-certification the highest form of income verification at admission. As such, MHA policies related to the verification of income do not apply to EHV families at admission. Instead, applicants must submit an affidavit attesting to their reported income, assets, expenses, and other factors that would affect an income eligibility determination.

Additionally, applicants may provide third-party documentation that represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of MHA's request.

MHA Policy

Any documents used for verification must not be damaged, altered, or in any way illegible.

MHA will consider self-certification the highest form of income verification at admission. MHA will request written third party verification if readily available in attempt to mitigate future material discrepancies.

MHA will accept third-party documents provided by applicants that represent the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of MHA's request.

Printouts from webpages are acceptable documentation.

Any family self-certifications must be made in a format acceptable to MHA and must be signed by the family member whose information or status is being verified. MHA will define its standard Certification Forms for new admissions as a format acceptable to the MHA.

MHA will address any material discrepancies (i.e., unreported income or a substantial difference in reported income). MHA may, but is not required to, offer the family a repayment agreement. If the family fails to repay the excess subsidy, MHA may terminate the family's assistance.

Recently Conducted Income Determinations

PHAs may accept income calculations and verifications from third-party providers or from a certification or recertification that the PHA conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial certification of income as long as:

- The income was calculated in accordance with rules outlined at 24 CFR Part 5 and within the last six months; and
- The family certifies there has been no change in income or family composition in the interim.

MHA Policy

MHA will accept income calculations and verifications from third-party providers provided they meet the criteria outlined above.

The family certification must be made in a format acceptable to MHA and must be signed by all adult family members whose information or status is being verified.

At the time of the family's annual certification, MHA must conduct the annual certification of income as outlined at 24 CFR 982.516.

EIV Income Validation

Once HUD makes the EIV data available to MHA under this waiver and alternative requirement, MHA must:

- Review the EIV Income and Income Validation Tool (IVT) reports to confirm and validate family-reported income within 90 days of the PIC submission date;
- Print and maintain copies of the EIV Income and IVT Reports in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

Prior to admission, MHA must continue to use HUD's EIV system to search for all household members using the Existing Tenant Search in accordance with MHA policies.

If MHA later determines that an ineligible family received assistance, MHA must take steps to terminate that family from the program.

SOCIAL SECURITY NUMBER AND CITIZENSHIP STATUS VERIFICATION

For the EHV program, a PHA is not required to obtain and verify SSN documentation and documentation evidencing eligible noncitizen status before admitting the family to the EHV program. Instead, PHAs may adopt policies to admit EHV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. As an alternative requirement, such individuals must provide the required documentation within 180 days of admission to be eligible for continued assistance, pending verification, unless the PHA provides an extension based on evidence from the family or confirmation from the CoC or

other partnering agency that the family has made a good-faith effort to obtain the documentation. If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

MHA Policy

MHA will accept self-certification and admit EHV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. MHA will verify SSN in EIV if the family is unable to obtain verification by the deadline and address material discrepancies as they arise. MHA will provide an additional 90-day extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation of eligible immigration status.

If MHA determines that an ineligible family received assistance, MHA will take steps to terminate that family from the program.

AGE AND DISABILITY VERIFICATION

PHAs may accept self-certification of date of birth and disability status if a higher level of verification is not immediately available. If self-certification is used, the PHA must obtain a higher level of verification within 90 days of admission or verify the information in EIV.

If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

MHA Policy

MHA will accept self-certification of date of birth and disability status if a higher form of verification is not immediately available. The certification must be made in a format acceptable to MHA and must be signed by the family member whose information or status is being verified. If self-certification is accepted, within 90 days of admission, MHA will verify the information in EIV or through other third-party verification method. MHA will note the family's file that self-certification was used as initial verification and include an EIV printout or other third-party verification confirming the applicant's date of birth and/or disability status.

If MHA determines that an ineligible family received assistance, MHA will take steps to terminate that family from the program.

INCOME TARGETING

The PHA must determine income eligibility for families in accordance with 24 CFR 982.201; however, income targeting requirements do not apply for EHV families. The PHA may still choose to include the admission of extremely low-income EHV families in its income targeting numbers for the fiscal year in which these families are admitted.

MHA Policy

MHA will include the admission of extremely low-income EHV families in its income targeting numbers for the fiscal year in which these families are admitted.

PART V: HOUSING SEARCH AND LEASING

INITIAL VOUCHER TERM

Unlike the standard HCV program, which requires an initial voucher term of at least 60 days, EHV vouchers must have an initial search term of at least 120 days. MHA policies on extensions in the HCV Admin Plan will apply after the 120 day initial search term.

MHA Policy

All EHV's will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless MHA grants an extension.

HOUSING SEARCH ASSISTANCE

A PHA must ensure housing search assistance is made available to EHV families during their initial housing search. The housing search assistance may be provided directly by the PHA or through the CoC or another partnering agency or entity.

At a minimum, housing search assistance must:

- Help individual families identify potentially available units during their housing search, including physically accessible units with features for family members with disabilities, as well as units in low-poverty neighborhoods;
- Provide transportation assistance and directions to potential units;
- Conduct owner outreach;
- Assist with the completion of rental applications and PHA forms; and
- Help expedite the EHV leasing process for the family

MHA Policy

As identified in the MOU between the MHA and CoC, the following housing search assistance will be provided to each EHV family:

MHA or CoC / other partner agency will:

- Conduct owner outreach
- Provide transportation assistance and directions to potential units
- Expedite the EHV leasing process for the family
- help individual families identify potentially available units during their housing search, including physically accessible units with features for family members with disabilities, as well as units in low-poverty neighborhoods
- Assist with the completion of rental applications

HQS PRE-INSPECTIONS

To expedite the leasing process, PHAs may pre-inspect available units that EHV families may be interested in leasing in order to maintain a pool of eligible units.

MHA Policy

To expedite the leasing process, MHA may pre-inspect available units that EHV families may be interested in leasing to maintain a pool of eligible units. If an EHV family select a unit that passed a HQS pre-inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305.

The family will be free to select his or her unit.

INITIAL LEASE TERM

Unlike in the standard the HCV program, EHV voucher holders may enter into an initial lease that is for less than 12 months.

PORTABILITY

The normal HCV portability procedures and requirements outlined in MHA's Admin Plan generally apply to EHV's. Exceptions are addressed below.

Nonresident Applicants

Under EHV, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied, regardless of MHA's policy.

Billing and Absorption

A receiving PHA cannot refuse to assist an incoming EHV family, regardless of whether the PHA administers EHV's under its own ACC.

- If the EHV family moves under portability to another PHA that administers EHV's under its own ACC:
 - The receiving PHA may only absorb the incoming EHV family with an EHV (assuming it has an EHV voucher available to do so).
 - If the PHA does not have an EHV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit with EHV assistance and may not absorb the family with a regular HCV when the family leases the unit.
 - Regardless of whether the receiving PHA absorbs or bills the initial PHA for the family's EHV assistance, the EHV administration of the voucher is in accordance with the receiving PHA's EHV policies.
- If the EHV family moves under portability to another PHA that does not administer EHV under its own ACC, the receiving PHA may absorb the family into its regular HCV program or may bill the initial PHA.

Family Briefing

In addition to the applicable family briefing requirements at 24 CFR 982.301(a)(2) as to how portability works and how portability may affect the family's assistance, the initial PHA must inform the family how portability may impact the special EHV services and assistance that may be available to the family.

The initial PHA is required to help facilitate the family's portability move to the receiving PHA and inform the family of this requirement in writing, taking reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP).

MHA Policy

In addition to MHA'S policy (HCV Admin Plan) on briefings, MHA will inform the family how portability may impact the special EHV services and assistance that may be available to the family. MHA will help facilitate the family's portability move to the receiving PHA and inform the family of this requirement in writing taking reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP). If the portability move is in connection with the EHV family's initial lease-up, the receiving PHA and MHA must consult and coordinate on the EHV services and assistance that will be made available to the family. The primary purpose of this communication is to ensure there is no duplication of EHV services and assistance provided to the family and that the receiving PHA is aware of the maximum amount of services fee funding that MHA may provide to the receiving PHA on behalf of the family.

For limited English proficient (LEP) applicants, MHA will provide interpretation services.

Coordination of Services

If the portability move is in connection with the EHV family's initial lease-up, the receiving PHA and the initial PHA must consult and coordinate on the EHV services to determine the appropriate assistance available to the family.

Services Fee

Standard portability billing arrangements apply for HAP and ongoing administrative fees for EHV families.

For service fees funding, the amount of the service fee provided by the initial PHA may not exceed the lesser of the actual cost of the services and assistance provided to the family by the receiving PHA or \$1,750, unless the initial PHA and receiving PHA mutually agree to change the \$1,750 cap. Service fees are paid as follows:

- If the receiving PHA, in consultation and coordination with the initial PHA, will provide eligible services or assistance to the incoming EHV family, the receiving PHA may be compensated for those costs by the initial PHA regardless of whether the receiving PHA bills or absorbs.
- If the receiving PHA administers EHV's, the receiving PHA may use its own services fee and may be reimbursed by the initial PHA, or the initial PHA may provide the services funding up front to the receiving PHA for those fees and assistance.
- If the receiving PHA does not administer EHV's, the initial PHA must provide the services funding upfront to the receiving PHA. Any amounts provided to the receiving PHA that are not used for services or assistance on behalf of the EHV family must promptly be returned by the receiving PHA to the initial PHA.

Placement Fee/Issuance Reporting Fee

If the portability lease-up qualifies for the placement fee/issuance reporting fee, the

receiving PHA receives the full amount of the placement component of the placement fee/issuing reporting fee. The receiving PHA is eligible for the placement fee regardless of whether the receiving PHA bills the initial PHA or absorbs the family into its own program at initial lease-up. The initial PHA qualifies for the issuance reporting component of the placement fee/issuance reporting fee, as applicable.

PAYMENT STANDARDS

Payment Standard Schedule

For the EHV program, HUD has waived the regulation requiring a single payment standard for each unit size. Instead, the PHA may, but is not required to, establish separate higher payment standards for EHV. Lower EHV payment standards are not permitted. If the PHA is increasing the regular HCV payment standard, the PHA must also increase the EHV payment standard if it would be otherwise lower than the new regular HCV payment standard. The separate EHV payment standard must comply with all other HCV requirements with the exception of the alternative requirements discussed below.

Further, if the PHA chooses to establish higher payments standards for EHV, HUD has provided other regulatory waivers:

- Defining the “basic range” for payment standards as between 90 and 120 percent of the published Fair Market Rent (FMR) for the unit size (rather than 90 to 110 percent).
- Allowing a PHA that is not in a designated Small Area FMR (SAFMR) area or has not opted to voluntarily implement SAFMRs to establish exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD published SAFMRs. MHA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published Small Area FMR for that ZIP code area. The exception payment standard must apply to the entire ZIP code area.
 - The PHA must notify HUD if it establishes an EHV exception payment standard based on the SAFMR.

MHA Policy

MHA may implement higher payment standards for EHV. The EHV payment standard will be set at 120% of the current Fair Market Rent (FMR) for the metropolitan area.

Rent Reasonableness

All rent reasonableness requirements apply to EHV units, regardless of whether MHA has established an alternative or exception EHV payment standard.

Increases in Payment Standards

The requirement that the PHA apply increased payment standards at the family’s first regular recertification on or after the effective date of the increase does not apply to EHV. The PHA may, but is not required to, establish an alternative policy on when to apply the increased

payment standard, provided the increased payment standard is used to calculate the HAP no

later than the effective date of the family's first regular reexamination following the change.

MHA Policy

MHA will not establish an alternative policy for increases in the payment standard. MHA policy in the HCV Admin Plan governing increases in payment standards will apply to EHV.

TERMINATION OF VOUCHERS

After September 30, 2023, a PHA may not reissue EHV when assistance for an EHV-assisted family ends. This means that when an EHV participant (a family that is receiving rental assistance under a HAP contract) leaves the program for any reason, the PHA may not reissue that EHV to another family unless it does so no later than September 30, 2023.

If an applicant family that was issued the EHV is unsuccessful in finding a unit and the EHV expires after September 30, 2023, the EHV may not be reissued to another family.

All EHV under lease on or after October 1, 2023, may not under any circumstances be reissued to another family when the participant leaves the program for any reason.

An EHV that has never been issued to a family may be initially issued and leased after September 30, 2023, since this prohibition only applies to EHV that are being reissued upon turnover after assistance to a family has ended. However, HUD may direct PHAs administering EHV to cease leasing any unleased EHV if such action is determined necessary by HUD to ensure there will be sufficient funding available to continue to cover the HAP needs of currently assisted EHV families.

PART VI: USE OF FUNDS, REPORTING, AND FINANCIAL RECORDS

EHV funds allocated to the PHA for HAP (both funding for the initial allocation and HAP renewal funding) may only be used for eligible EHV HAP purposes. EHV HAP funding obligated to MHA may not be used for EHV administrative expenses or the other EHV eligible expenses. Likewise, EHV administrative fees and funding obligated to the PHAs are to be used for those purposes and must not be used for HAP.

The appropriated funds for EHV are separate from the regular HCV program and may not be used for the regular HCV program but may only be expended for EHV eligible purposes. EHV HAP funds may not roll into the regular HCV restricted net position (RNP) and must be tracked and accounted for separately as EHV RNP. EHV administrative fees and funding for other eligible expenses permitted by Notice PIH 2021-15 may only be used in support of the EHV and cannot be used for regular HCVs. EHV funding may not be used for the repayment of debts or any amounts owed to HUD by HUD program participants including, but not limited to, those resulting from Office of Inspector General (OIG), Quality Assurance Division (QAD), or other monitoring review findings.

The PHA must comply with EHV reporting requirements in the Voucher Management System (VMS) and Financial Data Schedule (FDS) as outlined in Notice PIH 2021-15.

The PHA must maintain complete and accurate accounts and other records for the program and provide HUD and the Comptroller General of the United States full and free access to all accounts and records that are pertinent the administration of the EHV's in accordance with the HCV program requirements at 24 CFR 982.158.