

RENTAL ASSISTANCE ADMINISTRATIVE PLAN

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THIS PLAN CONTAINS POLICIES THAT PERTAIN TO ALL PROGRAMS ADMINISTERED BY THE RENTAL ASSISTANCE OFFICE. PROGRAMS INCLUDE THE HOUSING CHOICE VOUCHER (HCV), HCV HOMEOWNERSHIP, SINGLE ROOM OCCUPANCY (SRO), SHELTER PLUS CARE (SPC), AND HCV PROJECT-BASED ASSISTANCE

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RENTAL ASSISTANCE ADMINISTRATIVE PLAN

1.0 EQUAL OPPORTUNITY

1.1 FAIR HOUSING

It is the policy of the Metropolitan Development and Housing Agency to comply fully with all Federal, State, and local nondiscrimination laws; the Americans With Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the ground of race, color, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Metropolitan Development and Housing Agency housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the Metropolitan Development and Housing Agency will provide Federal/State/local information to applicants for and participants in the Section 8 Housing Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the Metropolitan Development and Housing Agency office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The Metropolitan Development and Housing Agency will assist any family that believes they have suffered illegal discrimination by providing them copies of the housing discrimination form. The Metropolitan Development and Housing Agency will also assist them in completing the form, if requested, and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

1.2 REASONABLE ACCOMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the Metropolitan Development and Housing Agency housing programs and related services. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the Metropolitan Development and Housing Agency will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the Metropolitan Development and Housing Agency

will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodations.

1.3 COMMUNICATION

Notifications of reexamination, inspection, appointment, or eviction will include information about requesting a reasonable accommodation. Any notification requesting action by the participant will include information about requesting a reasonable accommodation.

All decisions granting or denying requests will be in writing.

1.4 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

- A. Is the requestor a person with disabilities? For this purpose the definition of disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the Metropolitan Development and Housing Agency will obtain verification that the person is a person with a disability.

- B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the Metropolitan Development and Housing Agency will obtain documentation that the requested accommodation is needed due to the disability. The Metropolitan Development and Housing Agency will not inquire as to the nature of the disability.
- C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:
1. Would the accommodation constitute a fundamental alteration? The Metropolitan Development and Housing Agency's business is housing. If the request would alter the fundamental business that the Metropolitan Development and Housing Agency conducts, that would not be reasonable. For instance, the Metropolitan Development and Housing

Agency would deny a request to have the Metropolitan Development and Housing Agency do grocery shopping for the person with disabilities.

2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the Metropolitan Development and Housing Agency may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally the individual knows best what they need; however, the Metropolitan Development and Housing Agency retains the right to be shown how the requested accommodation enables the individual to access or use the Metropolitan Development and Housing Agency's programs or services.

If more than one accommodation is equally effective in providing access to the Metropolitan Development and Housing Agency's programs and services, the Metropolitan Development and Housing Agency retains the right to select the most efficient or economic choice.

If the participant requests, as a reasonable accommodation, that he or she be permitted to make physical modifications to their dwelling unit, at their own expense, the request should be made to the property owner/manager. The Housing Agency does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible.

Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

1.5 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND PARTICIPANTS

The Metropolitan Development and Housing Agency will endeavor to have bilingual staff or access to people who speak languages other than English to assist non-English speaking families.

1.6 FAMILY/OWNER OUTREACH

The Metropolitan Development and Housing Agency will publicize the availability and nature of the Housing Choice Voucher Program for extremely low-income, very low and low-income families in a newspaper of general circulation, minority media, and by other suitable means.

To reach persons, who cannot or do not read newspapers, the Metropolitan Development and Housing Agency will distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel.

The Metropolitan Development and Housing Agency will also try to utilize public service announcements.

The Metropolitan Development and Housing Agency will communicate the status of program availability to other service providers in the community and advise them of housing eligibility factors and guidelines so that they can make proper referral of their clients to the program.

The Metropolitan Development and Housing Agency will hold briefings for owners who participate in or who are seeking information about the Housing Choice Voucher Program. The briefing is intended to:

- A. Explain how the program works;
- B. Explain how the program benefits owners;
- C. Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways the Metropolitan Development and Housing Agency helps owners do better screening; and
- D. Provide an opportunity for owners to ask questions, obtain written materials, and meet Metropolitan Development and Housing Agency staff.

The Metropolitan Development and Housing Agency will particularly encourage owners of suitable units located outside of low-income or minority concentration to attend. Targeted mailing lists will be developed and announcements mailed.

1.7 RIGHT TO PRIVACY

All adult members of both applicant and participant households are required to sign HUD Form 9886, *Authorization for Release of Information and Privacy Act Notice*. The *Authorization for Release of Information and Privacy Act Notice* states how family information will be released and includes the *Federal Privacy Act Statement*.

Any request for applicant or participant information will not be released unless there is a signed release of information request from the applicant or participant.

1.8 REQUIRED POSTINGS

The Metropolitan Development and Housing Agency will post in each of its offices in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. The Section 8 Administrative Plan

- B. Notice of the status of the waiting list (opened or closed)
- C. Address of all Metropolitan Development and Housing Agency offices, office hours, telephone numbers, TDD numbers, and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

2.0 METROPOLITAN DEVELOPMENT AND HOUSING AGENCY/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY

This Section outlines the responsibilities and obligations of the Metropolitan Development and Housing Agency, Owners/Landlords, and the participating families.

2.1 *METROPOLITAN DEVELOPMENT AND HOUSING AGENCY RESPONSIBILITIES*

- A. The Metropolitan Development and Housing Agency will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the Metropolitan Development and Housing Agency Section 8 Administrative Plan.
- B. In administering the program, the Metropolitan Development and Housing Agency must:
 1. Publish and disseminate information about the availability and nature of housing assistance under the program;
 2. Explain the program to owners and families;
 3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
 4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;

5. Affirmatively further fair housing goals and comply with equal opportunity requirements;
6. Make efforts to help disabled persons find satisfactory housing;
7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
9. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
10. Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
11. Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
12. Determine the amount of the housing assistance payment for a family;
13. Determine the maximum rent to the owner and whether the rent is reasonable;
14. Make timely housing assistance payments to an owner in accordance with the HAP contract;
15. Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
16. Establish and adjust Metropolitan Development and Housing Agency utility allowance;
17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by the Metropolitan Development and Housing Agency, if the owner defaults (e.g., HQS violation);
18. Determine whether to terminate assistance to a participant family for violation of family obligations;

19. Conduct informal reviews of certain Metropolitan Development and Housing Agency decisions concerning applicants for participation in the program;
20. Conduct informal hearings on certain Metropolitan Development and Housing Agency decisions concerning participant families;
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
22. Administer an FSS program (**if applicable**).

2.2 OWNER RESPONSIBILITY

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
 1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.
 2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
 3. Complying with equal opportunity requirements.
 4. Preparing and furnishing to the Metropolitan Development and Housing Agency information required under the HAP contract.
 5. Collecting from the family:
 - a. Any security deposit required under the lease.
 - b. The tenant contribution (the part of rent to owner not covered by the housing assistance payment.
 - c. Any charges for unit damage by the family.
 6. Enforcing tenant obligations under the lease.
 7. Paying for utilities and services (unless paid by the family under the lease.)

- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.

2.3 OBLIGATIONS OF THE PARTICIPANT

This Section states the obligations of a participant family under the program.

- A. Supplying required information.

1. The family must supply any information that the Metropolitan Development and Housing Agency or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
2. The family must supply any information requested by the Metropolitan Development and Housing Agency or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
3. The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.
4. Any information supplied by the family must be true and complete.

- B. HQS breach caused by the Family

The family is responsible for any HQS breach caused by the family or its guests.

- C. Allowing Metropolitan Development and Housing Agency Inspection

The family must allow the Metropolitan Development and Housing Agency to inspect the unit at reasonable times and after at least 2 days notice.

- D. Violation of Lease

The family may not commit any serious or repeated violation of the lease.

- E. Family Notice of Move or Lease Termination

The family must notify the Metropolitan Development and Housing Agency and the owner before the family moves out of the unit or terminates the lease by a notice to the owner.

- F. Owner Eviction Notice

The family must promptly give the Metropolitan Development and Housing Agency a copy of any owner eviction notice it receives.

G. Use and Occupancy of the Unit

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.
2. The Metropolitan Development and Housing Agency must approve the composition of the assisted family residing in the unit. The family must promptly inform the Metropolitan Development and Housing Agency of the birth, adoption or court-awarded custody of a child. The family must request approval from the Metropolitan Development and Housing Agency to add any other family member as an occupant of the unit. No other person (i.e., no one but members of the assisted family) may reside in the unit (except for a foster child/foster adult or live-in aide as provided in paragraph (4) of this Section).
3. The family must promptly notify the Metropolitan Development and Housing Agency if any family member no longer resides in the unit.
4. If the Metropolitan Development and Housing Agency has given approval, a foster child/foster adult or a live-in aide may reside in the unit. The Metropolitan Development and Housing Agency has the discretion to adopt reasonable policies concerning residence by a foster child/foster adult or a live-in aide and defining when the Metropolitan Development and Housing Agency consent may be given or denied.
5. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses.
6. The family must not sublease or let the unit.
7. The family must not assign the lease or transfer the unit.

H. Absence from the Unit

The family must supply any information or certification requested by the Metropolitan Development and Housing Agency to verify that the family is living in the unit, or relating to family absence from the unit, including any Metropolitan Development and Housing Agency requested information or certification on the purposes of family absences. The family must cooperate with the Metropolitan Development and Housing Agency for this purpose. The family must promptly

notify the Metropolitan Development and Housing Agency of its absence from the unit exceeding 14 days in accordance with section 13.2 D of this plan.

I. Interest in the Unit

The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).

J. Fraud and Other Program Violation

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

K. Crime by Family Members

The members of the family may not engage in drug-related criminal activity or other violent criminal activity.

L. Other Housing Assistance

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) Federal, State or local housing assistance program.

3.0 ELIGIBILITY FOR ADMISSION

3.1 INTRODUCTION

There are five eligibility requirements for admission to Section 8 -- qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides documentation of Social Security Numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the Metropolitan Development and Housing Agency screening criteria in order to be admitted to the Housing Choice Voucher Program.

A determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration shall be made in accordance with the eligibility requirements provided for such program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. Furthermore, MDHA will not make any inquiry about the sexual orientation or gender identity of any applicant or participant for the purpose of determining eligibility for housing assistance. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or participant's sex where the housing provided or to be provided to the individual is temporary, emergency shelter that involves the

sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled.

3.2 **ELIGIBILITY CRITERIA**

A. Family status.

1. A **family with or without children**. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - a. Children temporarily absent from the home due to placement in foster care are considered family members.
 - b. Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
2. An **elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age;
 - b. Two or more persons who are at least 62 years of age living together; or
 - c. One or more persons who are at least 62 years of age living with one or more live-in aides
3. A **near-elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62;
 - b. Two or more persons who are at least 50 years of age but below the age of 62 living together; or
 - c. One or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
4. A **disabled family**, which is:
 - a. A family whose head, spouse, or sole member is a person with disabilities;

- b. Two or more persons with disabilities living together; or
 - c. One or more persons with disabilities living with one or more live-in aides.
5. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or 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.
6. A **remaining member of a tenant family**.
7. A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.
- B. Income eligibility
1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Section 8 program shall be a low-income family that is:
- a. A very low-income family;
 - b. A low-income family continuously assisted under the 1937 Housing Act;
 - c. A low-income family that meets additional eligibility criteria specified by the Housing Agency;
 - d. A low-income family that is a non-purchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
 - e. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
 - f. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.

3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
4. Families who are moving into the Metropolitan Development and Housing Agency's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing authority, must meet the income limit for the area where they were initially assisted under the program.
5. Families who are moving into the Metropolitan Development and Housing Agency's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the Metropolitan Development and Housing Agency program.
6. Income limit restrictions do not apply to families transferring units within the Metropolitan Development and Housing Agency Housing Choice Voucher Program.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Family eligibility for assistance.

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 11.5(K) for calculating rents under the noncitizen rule).
3. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance.

D. Social Security Number Documentation

All applicants and participants are required to disclose a SSN. Individuals exempt from disclosure include:

- ❖ Individuals who do not contend to have eligible immigration status
- ❖ Tenants age 62 or older as of 01/31/2010
- ❖ Tenants who have previously disclosed a valid SSN

E. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD and the Metropolitan Development and Housing Agency to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
 - b. A provision authorizing HUD or the Metropolitan Development and Housing Agency to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
 - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
 - d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

- F. Suitability for tenancy. The Metropolitan Development and Housing Agency determines eligibility for participation and will also conduct criminal background checks on all adult household members, including live-in aides. The Metropolitan Development and Housing Agency will deny assistance to a family because of drug-related criminal activity or violent criminal activity by family members. This check will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area. The Metropolitan Development and Housing Agency may contact law enforcement agencies where the individual had lived or request a check through the FBI's

National Crime Information Center (NCIC).

The Metropolitan Development and Housing Agency will check with the State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

Additional screening is the responsibility of the owner. Upon the request of a prospective owner, the Metropolitan Development and Housing Agency will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug trafficking.

4.0 MANAGING THE WAITING LIST

4.1 *OPENING AND CLOSING THE WAITING LIST*

Opening of the waiting list will be announced via public notice that preliminary applications for Section 8 Housing Choice Voucher assistance will be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and also by any available minority media. The public notice will state any limitations, if any, on who may apply, the manner in which applications may be obtained and submitted, and the date and time by which preliminary applications must be received by MDHA.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other waiting lists when they apply for Housing Choice Voucher assistance. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

Closing of the waiting list will be announced via public notice, and may be included in the same notice announcing the opening of the waiting list. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, and also by any available minority media.

4.2 *ACCEPTING APPLICATIONS*

MDHA will consider opening the HCV waiting list when the number of families on the active HCV waiting list reaches 500. Families wishing to apply for the Housing Choice Voucher Section 8 Program will be required to complete an online preliminary application for housing assistance. Preliminary applications will be accepted online only during the open enrollment period. A link to the online application system will be made available to the public at <http://www.nashville-mdha.org>. Persons with disabilities who require a reasonable accommodation in completing an application may call MDHA at

615-252-6500 to make special arrangements to complete their application. A Telecommunication Device for the Deaf (TDD) **615-252-8599** is available for the hearing impaired. MDHA will set-up and staff computers at a convenient location(s) for anyone without access to a computer or needing assistance in completing an online application.

Preliminary applications will be accepted on-line only during the open enrollment period. Only the Residency preference will be available for online applications submitted during an open enrollment period. Preliminary applications will be accepted to compile an application pool. Due to the demand for Section 8 assistance in the Metropolitan Development and Housing Agency jurisdiction, the Metropolitan Development and Housing Agency may accept preliminary applications on an open enrollment basis, depending on the length of the waiting list.

The application process will involve two phases, 1.) a preliminary application, and 2.) a formal application. The preliminary application requires the family to provide limited basic information including name, address, phone number, family composition and family unit size, racial or ethnic designation of the head of household, income category, and information establishing any preferences to which they may be entitled.

The completed preliminary application will be dated and time stamped upon its on-line submission to the Metropolitan Development and Housing Agency. All preliminary applications received by the deadline date will be entered into an application pool. Any preliminary applications not received by the deadline date will not be included in the application pool and will be discarded.

Once the application period expires and the waiting list is closed, MDHA will conduct a “Lottery” to randomly assign each pre-application a lottery number. The pre-applications will then be placed on the HCV waiting list in sequential order based on the assigned lottery number, and then sorted by preference(s) to determine the family’s position on the waiting list. MDHA will not send a written notice to inform each applicant of their position on the HCV waiting list. MDHA may limit the number of applications placed on the waiting list. In general, the number placed on the waiting list will be limited to the estimated number of applications that are expected to be selected over the next three-year period.

4.2.1 ACCEPTING PRE-APPLICATIONS FROM ANY DISPLACED PERSONS AND CATEGORY 1 HOMELESS FROM THE METROPOLITAN HOMELESS IMPACT DIVISION (MHID) DURING CLOSED APPLICATION PERIOD

A pre-application will be accepted at all times from a household that claims the Displaced preference or a Homeless preference referral from the CoC Coordinated Entry System, provided they meet the criteria for the preference claimed. Displaced applications will be available at the Rental Assistance office at 302 Foster St.; Nashville, TN 37207 during normal business hours.

Displaced person(s) - Individuals or families displaced by government action or 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. Displacement by government action would apply to those required to move from their primary residence through no fault of their own, and would include local codes condemnation of a housing unit or a decision by MDHA to demolish or substantially rehabilitate assisted housing units. It does not include eviction by court action for lease violations. Households involuntarily displaced because of a natural disaster (fire, flood, tornado, etc.), which occurred within the boundaries of Davidson County; AND occurred no more than six (6) months from the date of pre-application; AND where the household has not secured permanent replacement housing at the time of pre-application.

**Persons who request a local preference due to a fire must present a fire or damage report from a reputable source (local fire department, Red Cross, etc.) that shows the fire caused the unit to be uninhabitable and that no member of the household on the application caused the fire to occur.*

Note: Families who are eligible for other disaster relief housing assistance do not qualify for this preference.

Pre-applications will be accepted from families that claim a displaced local preference in accordance with the following procedures:

1. The Applicant is required to provide a valid state of Tennessee Driver's license or state of Tennessee identification card verifying residency of Nashville Davidson County.
2. The Applicant is required to provide documentation which proves that the damaged unit is no longer habitable (e.g. fire report). An applicant may not claim the natural disaster preference for minor storm damages (e.g. reparable siding and shingles blown away by storm).
3. The Applicant must demonstrate (e.g. copy of lease, proof of ownership) that the housing unit from which they are displaced was used as the primary residence. At the time the pre-application is accepted, the displacement by natural disaster must also be verified by a third party source. The documentation should include the type of damage that made the unit un-inhabitable and when (date) the damage occurred.
4. If the displacement cannot be verified by a third party source within 14 days of the date of the pre-application during a closed enrollment period, the preference will be denied and the pre-application will not be accepted.
5. If the displacement is verified by a third party source within 14 days of the date of application AND a voucher is available, a Personal Declaration and will be completed and eligibility determined.

6. If the displacement is verified by a third party source within 14 days of the date of the pre-application AND a voucher is not currently available, the household will be placed at the top of the waiting list by date and time of application until a voucher is available or a maximum of six (6) months from the date of the event. If funding does not become available in the 6 month period after the natural disaster to serve the family, the application will be denied and the family removed from the waiting list.

Category 1 Homeless Referrals from the Metropolitan Homelessness Commission that include a Vulnerability Assessment Tool Score and service provider commitment (1-4 Points)

<u>Vulnerability Score</u>	<u>Preference Points</u>
Vulnerability Score 0-4 (individual); 0-5 (family)	1
Vulnerability Score 5-9 (individual); 6-10 (family)	2
Vulnerability Score 10-13 (individual); 11-15 (family)	3
Vulnerability Score 14-20 (individual); 16-20 (family)	4

Each referral from the MHC is to include the identity of the service provider(s) who has/have made a written commitment to:

- Provide housing search assistance;
- To help the household’s transition from homelessness to permanent housing; and
- To help the household comply with Housing Choice Voucher program rules.

4.2.2 ACCEPTING PRE-APPLICATIONS FROM RAD PBRA PROGRAM PARTICIPANTS

Under RAD PBRA, residents have a right to move with HCV tenant-based rental assistance the later of: a) 24 months from the date of execution of the HAP or b) 24 months after the move-in date. The family may terminate the RAD PBRA lease and request tenant-based HCV assistance at any time after meeting the applicable 24 month requirement. The family must give advance written notice to their RAD development office in accordance with the RAD PBRA lease. If the family wishes to move with continued tenant-based HCV assistance, the family must request the rental assistance prior to providing notice to terminate the RAD PBRA lease. Upon receiving the request, MDHA will notify the family whether or not a tenant-based HCV is immediately available.

If the family terminates the lease in accordance with the above requirements and a tenant-based HCV is available, MDHA will offer the family a tenant-based voucher. If a tenant-based voucher or other comparable tenant-based assistance is not immediately available

upon termination of the family's lease in the RAD PBRA unit, MDHA will place the family on a waiting list and give the family priority to receive the next available opportunity for continued tenant-based assistance.

The number of tenant based vouchers issued will be limited to the following in any year:

No more than one-third of turnover vouchers under the HVC program; and

No more than 15 percent of eligible households in any RAD development.

If the family terminates the RAD PBRA lease before the end of the applicable 24 month period, the family relinquishes the opportunity for continued tenant-based assistance.

4.3 ORGANIZATION OF THE WAITING LIST

The waiting list will be maintained in accordance with the following guidelines:

- A. The pre-application will be a permanent file;
- B. Pre-Applications will be randomly assigned a lottery number and placed on the HCV waiting list in sequential order based on the assigned lottery number. The HCV waiting list will then be sorted by preference. MDHA will not send a written confirmation notice to those placed on the HCV waiting list.
- C. Any contact between the Metropolitan Development and Housing Agency and the applicant will be documented in the applicant file. An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The Metropolitan Development and Housing Agency will annotate the applicant's file and will update their place on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

Note: The waiting list cannot be maintained by bedroom size under current HUD regulations.

4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST

The second phase is the final determination of eligibility, referred to as the full application. When a family appears to be within 2 months of being offered assistance, the family will be invited to an interview and the verification process will begin. It is at this point in time that the family's waiting list preference will be verified. If the family no longer qualifies to be near the top of the list, the family's name will be returned to the appropriate position on the waiting list. The Metropolitan Development and Housing

Agency must notify the family in writing of this determination, and give the family the opportunity for an informal review.

Once the preference has been verified the family will complete a full application, present Social Security Number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms.

4.5 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The Metropolitan Development and Housing Agency will allow the family to reschedule appointments for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When a good cause exists, the Metropolitan Development and Housing Agency will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list.

4.6 PURGING THE WAITING LIST

Periodically, MDHA will contact applicants on the waiting list to determine if they wish to remain on the waiting list and provide any updates to their contact information. Generally, this will be via email and letter.

4.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The Metropolitan Development and Housing Agency will not remove an applicant's name from the waiting list unless:

- A. The applicant requests that the name be removed;
- B. The email and/or letter is returned as undeliverable, the applicant fails to respond to a written request for information or a request to declare their continued interest in the program, or misses scheduled appointments; or
- C. The applicant does not meet either the eligibility or screening criteria for the program.

4.8 GROUNDS FOR DENIAL

The Metropolitan Development and Housing Agency will deny assistance to applicants who:

- A. Do not meet any one or more of the eligibility criteria;

- B. Do not supply information or documentation required by the application process;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;
- E. Have a history of criminal activity by any household member involving crimes of physical violence against persons or property, and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well being of other tenants or staff, or cause damage to the property.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of MDHA (including a MDHA employee or a MDHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises. Evidence of such criminal activity includes, but is not limited to:

For the purpose of this section, the following guidelines will be used in determining whether or not to deny an applicant family. MDHA will recommend the family be denied if any adult member in the household has a criminal record that meets any one of the following conditions:

1. Any household member has been convicted* of a felony-related, alcohol-related, violent criminal activity or other criminal activity in the past twelve (12) months;
2. Any household member has been convicted* of two (2) or more misdemeanor drug-related, alcohol-related, violent criminal or other criminal acts in the past twelve (12) months;

3. Any household member has three (3) or more convictions* for a misdemeanor or felony drug-related, alcohol-related, violent criminal activity or other criminal activity, one of which is less than three (3) years old;
4. Any household member has one or more convictions* for a felony sex offense in the past ten (10) years or any conviction (felony or misdemeanor) of a sex offense involving a minor;
5. Any household member or guest of a household member is convicted of a drug-related or violent criminal activity that allegedly occurred on or near the assisted unit premises at any time during the family's participation in the program.

* A criminal conviction occurs when on the date of final judgment (felony or misdemeanor offenses) a verdict or finding of guilty, a plea of guilty, or a plea of nolo contendere is entered and does not include a final judgment that has been expunged by pardon, reversed, set aside or otherwise rendered nugatory. Families that include a member with a disposition of post-trial diversion following a criminal conviction are not eligible to receive assistance until the terms of the diversion are met; record expunged; or the family becomes eligible otherwise.

- F. Currently owes rent or other amounts to any housing authority in connection with the public housing or Section 8 Programs.
- G. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- H. They have a family member who has been evicted, or moved to avoid eviction, or have been terminated from an assisted housing program for a negative reason in last 12 months. Negative Reasons include:
 - Failure to pay retroactive rent to MDHA or other PHA
 - Failure to complete annual re-exam
 - Criminal Activity – drugs, sex offender, violent criminal
 - Eviction for serious and repeated lease violations
 - Failure to report income
 - Non-compliance with program requirements
 - Unit abandoned – vacated without notice
- I. Have a family member who was evicted from assisted housing within five years of the projected date of admission because of drug-related criminal activity

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

- J. Have a family member who is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. The Metropolitan Development and Housing Agency may waive this requirement if:
 - 1. The person demonstrates to the Metropolitan Development and Housing Agency's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
 - 2. The person has successfully completed a supervised drug or alcohol rehabilitation program;
 - 3. The person has otherwise been rehabilitated successfully; or
 - 4. The person is participating in a supervised drug or alcohol rehabilitation program.
- K. Have engaged in or threatened abusive or violent behavior towards any Metropolitan Development and Housing staff or residents;
- L. Have a family member who has been convicted of manufacturing or producing methamphetamine (speed) (Denied for life);
- M. Have a family member with a lifetime registration under a State sex offender registration program (Denied for life).

4.9 NOTIFICATION OF NEGATIVE ACTIONS

Any applicant whose name is being removed from the waiting list will be notified by the Metropolitan Development and Housing Agency, in writing, that they have ten (10) business days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. The Metropolitan Development and Housing Agency's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the Metropolitan Development and Housing Agency will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the Metropolitan Development and Housing Agency will verify that there is in fact a disability and that the accommodation they are requesting is necessary based on the disability. An example of a reasonable accommodation would be

to reinstate the applicant on the waiting list based on the date and time of the original application.

4.9.1 Protection under the Violence Against Women Act (VAWA)

When the actions of an applicant or other family member results in a MDHA decision to deny the family and another family member claims that the actions involve criminal acts of physical violence against family members or others, MDHA will request that the victim submit the required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, MDHA will exclude the perpetrator from the household and continue with the determination of eligibility for the remaining family member(s). If the victim does not provide the certification and supporting documentation, as required, MDHA will proceed with denial of the family's application. See Section 15.1 for required documentation.

4.10 INFORMAL REVIEW

If the Metropolitan Development and Housing Agency determines that an applicant does not meet the criteria for receiving Housing Choice Voucher assistance, the Metropolitan Development and Housing Agency will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision, and state that the applicant may request an informal review of the decision within 10 business days of the denial. The Metropolitan Development and Housing Agency will describe how to obtain the informal review. The informal review process is described in Section 16.2 of this Plan.

5.0 SELECTING FAMILIES FROM THE WAITING LIST

5.1 WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS

MDHA may admit an applicant for participation in the program either as a special admission or as a waiting list admission.

If HUD awards MDHA funding that is targeted for families with specific characteristics or families living in specific units, MDHA will use the assistance for those families. These may include special purpose vouchers such as HUD-Veterans Affairs Supportive Housing (VASH), Mainstream/Non-Elderly Disabled (NED), Emergency Housing Vouchers (EHV) and Family Unification Program (FUP)/Foster Youth to Independence (FYI).

5.1.1 Alternative Operating Requirements for Special Purpose Vouchers

Some Special Purpose Vouchers may have alternative operating requirements that are applicable only to those vouchers. The following apply as noted:

VASH

VA determines eligibility and refers applicants to MDHA.

MDHA may only screen for lifetime sex offender registry and income limit.

The Low-Income Limit (80%) is applicable for initial eligibility determination.

Initial search term of voucher is for 120 days.

Initial Leases may be for less than 12 months.

Regarding verifying Social Security Numbers (SSN) for homeless veterans and their family members, an original document issued by a federal or state government agency which contains the name of the individual and the SSN of the individual along with other unique identifying information of the individual is acceptable in accordance with [24 CFR 5.216\(g\)](#). In the case of the homeless veteran, MDHA must accept the *Certificate of Release or Discharge from Active Duty* (DD-214) or the VA-verified *Application for Health Benefits* (10-10EZ) as verification of SSN and cannot require the veteran to provide an SSN card. These documents must also be accepted for proof of age purposes in lieu of birth certificates or other MDHA-required documentation. Please note that veterans are also issued photo identification cards by the VA. If such identification is required by the PHA, these cards must be accepted by MDHA in lieu of another type of government-issued photo identification. These cards may also be used to verify SSNs and date of birth.

Mainstream

Initial search term of voucher is for 120 days.

MDHA must approve the first extension request for a Mainstream voucher and will accept a verbal or written request only if the request is made on or before the term expiration date. The Mainstream voucher family is not subjected to the HCV extension request form or process.

The first extension will be approved as a reasonable accommodation.

Any approved extensions afterwards will be for at least a minimum of 90 additional days. The family will be notified 60 days prior to the expiration date.

The notification will include a reminder of the process for requesting an extension and will also inquire if the family need assistance with their housing search.

MDHA will respond to all Mainstream extension request in writing within 14 days of the request.

Family Unification Program Vouchers

Applicants referred by TN Department of Children's Services directly to MDHA or through the Coordinated Entry System of the CoC. FUP vouchers are provided for two groups:

1. Families (FUPF) for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care; and

2. Youth (FUPY) at least 18 years and not more than 24 years of age (have not reached their 25th birthday) who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act and are homeless or are at risk of becoming homeless at age 16 or older.

There is no time limit on FUP vouchers issued to families. As required by statute, FUP vouchers issued to youth are limited to 36 months. The Fostering Stable Housing Opportunities (FSHO) amendments (Section 103 of Division Q of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260)) provides FUP youth an extension of the 36-month time limit for up to an additional 24 months if they meet certain requirements.

Emergency Housing Vouchers

All EHV referrals will be submitted through the Metropolitan Office of Homeless Services (OHS) CoC Coordinated Entry System

MDHA will only screen for the following mandatory provisions for the EHV voucher applicants: (1) 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 to EHV applicants. (2) If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program to EHV applicants.

Income Verification at admission: MDHA will consider self-certification of income as the highest form of income verification at admission. Applicants must submit an affidavit attesting to income, assets, expenses and other factors which would affect an income eligibility determination. Additionally, applicants may submit third-party documentation which represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of MDHA's request. **MDHA will validate family reported income within 90 days of the PIC-NG submission date and resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.**

MDHA may admit families to the EHV program 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.** Additionally, MDHA 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, MDHA will obtain a higher level of verification within 90 days of admission or verify the information in EIV.** All EIV participants will be reminded of their obligation to provide true and complete information, and will be required to certify all reported information is true and complete.

All EHV Vouchers will be issued with an initial term of 120 days.

The initial lease term may be less than 12 months regardless of whether the shorter term is prevailing market practice.

5.2 MDHA PREFERENCES

The Metropolitan Development and Housing Agency will select families from the waiting list based on the following preferences. Only the Residency preference will be available for online applications submitted during an open enrollment period.

- 1. Displaced person(s) (4 points)** - Individuals or families displaced by government action or 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. Displacement by government action would apply to those required to move from their primary residence through no fault of their own, and would include local codes condemnation of a housing unit or a decision by MDHA to demolish or substantially rehabilitate assisted housing units. It does not include eviction by court action for lease violations. Households that have been involuntarily displaced because of a natural disaster (fire, flood, tornado, etc.), which occurred within the boundaries of Davidson County; AND occurred no more than six (6) months from the date of pre-application; AND where the household has not secured permanent replacement housing at the time of pre-application.

**Persons who request a local preference due to a fire must present a fire or damage report from a reputable source (local fire department, Red Cross, etc.) that shows the fire caused the unit to be uninhabitable and that no member of the household on the application caused the fire to occur.*

Note: Families who are eligible for other disaster relief housing assistance do not qualify for this preference. Before adding any applicant to the HCV waiting list who claims the Displaced preference, all required documentation must be submitted to MDHA within fifteen (15) days of the date of application/referral. If all documentation is not received within fifteen (15) days of the date of application, the application will be denied and discarded.

- 2. Residency (2 points)**
Households who live in Davidson County on the date they submit a pre-application. The residential/physical address entered on the pre-application (online or handwritten) will be used to determine residency. If an applicant self-selects the local residency preference and enters a non-local residential/physical and/or mailing address (address in another county or

state), MDHA will not contact the applicant to verify the preference. A mailing address within Davidson County is not sufficient for this preference. MDHA will remove the preference selection and return the applicant to the appropriate position on the list.

Note: A post office box mailing address will not be considered sufficient proof to verify residency and qualify the family for the residency preference.

3. Category 1 Homeless Referrals from the Metropolitan Office of Homeless Services (OHS) that include a Vulnerability Assessment Tool Score and service provider commitment (1-4 Points)

<u>Vulnerability Score</u>	<u>Preference Points</u>
Vulnerability Score 0-4 (individual); 0-5 (family)	1
Vulnerability Score 5-9 (individual); 6-10 (family)	2
Vulnerability Score 10-13 (individual); 11-15 (family)	3
Vulnerability Score 14-20 (individual); 16-20 (family)	4

Each referral from the OHS is to include the identity of the service provider(s) who has/have made a written commitment to:

- Provide housing search assistance;
- To help the household's transition from homelessness to permanent housing; and
- To help the household comply with Housing Choice Voucher program rules.

4. Applicant family with at least one child aged 13 and under that live in census tracts with a poverty rate of 30 percent or higher (1 Point). This preference only applies to:

1. Community Choice Demonstration Program vouchers, including any subsequent turnover of those vouchers.
2. Regular turnover vouchers provided by MDHA for the demonstration:
 - a. Until enough families receiving these turnover vouchers have been randomly assigned to the control group.

If an insufficient number of families on the waiting list meet the required preference for the demonstration, MDHA will select the next available family with children

5.3 SELECTION FROM THE WAITING LIST

Based on the above preferences, families assigned the highest-ranking lottery number with the highest preference point total will be selected in order.

Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the Metropolitan Development and Housing Agency retains the right to skip higher income families on the waiting to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Agency will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

6.0 ASSIGNMENT OF VOUCHER UNIT SIZES (SUBSIDY STANDARDS)

The Metropolitan Development and Housing Agency will issue a voucher for a particular unit size – the voucher unit size is a factor in determining the family’s level of assistance. The following guidelines will determine each family’s voucher unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	4
2	2	6
3	3	8
4	7	10
5	8	12

These standards are based on the assumption that each living/sleeping area will accommodate no more than two (2) persons. Two adults will share a living/sleeping area unless related by blood. (Adult brothers, sisters, aunts, uncles, cousins, etc. would not be required to share a room).

In determining voucher unit size, the Metropolitan Development and Housing Agency will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, or children who are temporarily in foster-care.

Voucher unit size will also be determined using the following guidelines:

- A. Children of the opposite sex may share a living/sleeping area until the youngest child reaches age 4, unless there is more than an 8 year difference in age.
- B. Children of the same sex may share a bedroom until the oldest child reaches 18 years of age.
- C. Household members under the age of 2, including unborn children will not be considered when determining eligible bedroom size.
- D. Adults and children will be allowed to share a living/sleeping area.
- E. Foster-adults and children will be required to share a living/sleeping area with family members, will not be included in determining eligible voucher unit size, and will only be approved as part of the household if the placement does not overcrowd the unit.
- F. Live-in aides will get a separate bedroom.
- G. Space is not provided for children who live out of the unit more than fifty percent of the time (for example, a tenant does not have custody, but the child visits on weekends. A living/sleeping area is not allocated for that child).
- H. Space will not be provided for a full time student who is away at school but lives with the family during school recess.

The Metropolitan Development and Housing Agency will grant exceptions to normal occupancy standards when an elderly or disabled family requests a larger size than the guidelines allow and documents the need as a reasonable accommodation.

The voucher unit size will be determined by the Metropolitan Development and Housing Agency in accordance with the above guidelines and will determine the maximum rent subsidy for the family; however, the family may select a unit that may be larger or smaller than the family unit size. If the family selects a smaller unit, the payment standard for the smaller size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family voucher unit size will determine the maximum subsidy.

6.1 BRIEFING

When the Metropolitan Development and Housing Agency determines the family is eligible to receive assistance, the family will be invited to attend a briefing explaining how the program works. In order to receive a voucher the family is required to attend the briefing. If they cannot attend the originally scheduled briefing, they may attend a later session. If the family fails to attend two briefings without good cause, they will be denied admission.

If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, the Housing Agency will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, the Housing Agency will give primary consideration to the requests of the applicant. Families unable to attend a briefing due to a disability may request a reasonable accommodation such as having the briefing presented at an alternate location.

Exception: Because of the special portability provisions for the Veterans Supportive Housing (VASH) program, a client referred for an MDHA VASH voucher who intends on exercising portability and live outside of the jurisdiction of MDHA may opt-out of the MDHA briefing as long as they agree to attend the briefing at the receiving PHA. The client must sign a statement indicating such and the receiving PHA must be in agreement. The form will be made part of the portability packet sent to the receiving PHA.

The MDHA oral briefing will cover at least the following subjects:

- A. A description of how the program works;
- B. Family and owner responsibilities;
- C. Where the family may rent a unit, including inside and outside the Housing Agency's jurisdiction;
- D. Types of eligible housing;
- E. How to select a unit;
- F. For families qualified to lease a unit outside the Housing Agency's jurisdiction under portability, an explanation of how portability works, including how portability may affect the family's assistance through rescreening, changes in subsidy standards, and any other elements of portability that may affect the family's assistance;
- G. An explanation of the advantages of living in an area that does not have a high concentration of poor families; and
- H. An explanation that the family share of rent plus the cost of utilities may not exceed 40% of the family's monthly adjusted income.

6.2 *PACKET*

During the briefing, the Housing Agency will give the family a packet covering at least the following subjects:

- A. The term of the voucher and the Housing Agency's policy on extensions and suspensions of the term. The packet will include information on how to request an extension and forms for requesting extensions;
- B. How the Housing Agency determines the housing assistance payment and total tenant payment for the family;
- C. Information on the payment standard, exception payment standard rent areas, and the utility allowance schedule;
- D. How the Housing Agency determines the maximum rent for an assisted unit;
- E. Where the family may lease a unit and the advantages of living in areas with low concentration of low income families. For families qualified to lease outside the Housing Agency's jurisdiction, the packet includes an explanation of how portability works, including how portability may affect the family's assistance through rescreening, changes in subsidy standards, and any other elements of portability that may affect the family's assistance;
- F. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease, and a sample contract;
- G. The request for approval of the tenancy form and an explanation of how to request Housing Agency approval of a unit;
- H. A statement of the Housing Agency's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing the Housing Agency to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, the Housing Agency will also supply any factual information or third party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity or any violent criminal activity;
- I. The Housing Agency's subsidy standards, including when the Housing Agency will consider granting exceptions to the standards;
- J. The HUD brochure on how to select a unit ("A Good Place to Live");
- K. The HUD-required lead-based paint brochure;

- L. Information on Federal, State, and local equal opportunity laws; the brochure "Fair Housing: It's Your Right;" and a copy of the housing discrimination complaint form;
- M. A list of landlords or other parties known to the Metropolitan Development and Housing Agency who may be willing to lease a unit to the family or help the family find a unit;
- N. Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to the Metropolitan Development and Housing Agency that may be available;
- O. The family's obligations under the program;
- P. The grounds upon which the Housing Agency may terminate assistance because of the family's action or inaction;
- Q. Metropolitan Development and Housing Agency informal hearing procedures, including when the Housing Agency is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
- R. The Metropolitan Development and Housing Agency owner information brochure. This brochure can be given by the applicant to a prospective owner to help explain the program.

6.3 ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, the Metropolitan Development and Housing Agency will issue the voucher. Note the number of vouchers issued to **Category 1 Homeless Referrals from the Metropolitan Homelessness Commission will be limited to no more than 18 per month.** At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the family and the owner will complete and sign a proposed lease, the HUD required tenancy addendum and the request for approval of the tenancy form. The family will submit the proposed lease and the request form to the Housing Agency during the term of the voucher. The Housing Agency will review the request, the lease, and the HUD required tenancy addendum and make an initial determination of approval of tenancy. The Housing Agency may assist the family in negotiating changes that may be required for the tenancy to be approvable. Once it appears the tenancy may be approvable, the Housing Agency will schedule an appointment to inspect the unit within 15 days after the receipt of inspection request from the family and owner. The 15 day period is suspended

during any period the unit is unavailable for inspection. The Housing Agency will promptly notify the owner and the family whether the unit and tenancy are approvable.

During the initial stage of qualifying the unit, the Housing Agency will provide the prospective owner with information regarding the program. Information will include Housing Agency and owner responsibilities for screening and other essential program elements. The Housing Agency will provide the owner with the family's current and prior address as shown in the Housing Agency records along with the name and address (if known) of the landlords for those addresses.

Additional screening is the responsibility of the owner. Upon request by a prospective owner, the Housing Agency will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

6.4 TERM OF THE VOUCHER

The initial term of the voucher will be 120 days and will be stated on the Housing Choice Voucher.

MDHA may grant one or more extensions of the term. . To obtain an extension, the family must make a request in writing prior to the expiration date. A statement of the efforts the family has made to find a unit must accompany the request. A sample extension request form and a form for recording their search efforts will be included in the family's briefing packet. If the family documents their efforts and additional time can reasonably be expected to result in success, the MDHA will grant the length of request sought by the family or up to 60 days, whichever is less.

If the family includes a person with disabilities and the family requires an extension due to the disability, the Housing Agency will grant an appropriate extension to allow the time needed for the family to find a suitable unit. .

Upon submittal of a completed request for approval of tenancy form, the Metropolitan Development and Housing Agency will suspend the term of the voucher. The term will be in suspension until the date the Housing Agency provides notice that the request has been approved or denied. This policy allows families the full term (120 days, or more with extensions) to find a unit, not penalizing them for the period during which the Housing Agency is taking action on their request. A family may submit a second request for tenancy approval before the Housing Agency finalizes action on the first request. In this case the suspension will last from the date of the first submittal through the Housing Agency's action on the second submittal. No more than two requests will be concurrently considered.

6.5 APPROVAL TO LEASE A UNIT

The Metropolitan Development and Housing Agency will approve a lease if all of the following conditions are met:

- A. The unit is eligible;
- B. The unit is inspected by the Housing Agency and passes HQS;
- C. The lease includes the HUD-required basic contents, which include the name of the name of the owner and tenant; the address of the unit rented (including apartment number); the term of the lease (initial term and any provisions for renewal); the amount of monthly rent to owner; and specifications about which utilities and appliances are to be supplied by the owner and which are to be supplied by the family, and includes the language of the tenancy addendum. For any proposed lease submitted that does not include all basic contents, MDHA may, upon agreement by both tenant and landlord, execute a Lease Addendum to incorporate any missing items.
- D. The rent to owner is reasonable;
- E. The family's share of rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the Housing Agency; and
- G. The family continues to meet all eligibility and screening criteria.

If tenancy approval is denied, MDHA will advise the owner and the family in writing and inform them of any actions they could take that would enable MDHA to approve the tenancy.

The lease term may begin only after all of the following conditions are met:

- A. The unit passes the Housing Agency HQS inspection;
- B. The family's share of rent does not exceed 40% of their monthly adjusted income;
- C. The landlord and tenant sign the lease to include the HUD required addendum; and
- D. MDHA approves the leasing of the unit.

MDHA will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, MDHA will execute the contract. MDHA will not pay any housing assistance to the owner until the contract is executed.

In no case will the contract be executed later than 60 days after the beginning of the lease term.

Any contract executed after the 60-day period will be void and MDHA will not pay housing assistance to the owner.

6.6 METROPOLITAN DEVELOPMENT AND HOUSING AGENCY DISAPPROVAL OF OWNER

The Housing Agency will deny participation by an owner at the direction of HUD. The Housing Agency will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under a Section 8 Housing Assistance Payments Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- C. The owner has engaged in drug-related criminal activity or any violent criminal activity;
- D. The owner has a history or practice of non-compliance with HQS for units leased under Section 8 or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program;
- E. The owner has a history or practice of renting units that fail to meet State or local codes; or
- F. The owner has not paid State or local real estate taxes, fines, or assessments.
- G. The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the:
 - 1. premises by tenants, Metropolitan Development and Housing Agency employees or owner employees; or
 - 2. residences by neighbors;
- H. Other conflicts of interest under Federal, State, or local law.

6.7 INELIGIBLE/ELIGIBLE HOUSING

The following types of housing cannot be assisted under the Housing Choice Voucher Tenant-Based Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 Program;
- 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. A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and
- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The Metropolitan Development and Housing Agency will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing

The Metropolitan Development and Housing Agency will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing
- D. Manufactured home space rentals

6.8 SECURITY DEPOSIT

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice and not in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

7.0 MOVES WITH CONTINUED ASSISTANCE

Participating families are allowed to move to another unit after the initial 12 months has expired, if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Agency has terminated the HAP contract. The Metropolitan Development and Housing Agency will issue the family a new voucher if the family does not owe the Metropolitan Development and Housing Agency or any other Housing Agency money, has not violated a Family Obligation, has not moved or been issued a voucher within the last 12 months, and if the Metropolitan Development and Housing Agency has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the 12-month requirement will be waived. If a family that owes a balance to MDHA or another PHA has entered a repayment agreement and is current on the agreement, they may be allowed to move

7.1 WHEN A FAMILY MAY MOVE

For families already participating in the Housing Choice Voucher Program, the Metropolitan Development and Housing Agency will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;

- B. The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- C. The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).

7.2 PROCEDURES REGARDING FAMILY MOVES

Families considering transferring to a new unit will be advised again of their obligations before approval to move is granted by MDHA.

This information is intended to provide the following:

- A. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- B. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- C. Payment standards, exception payment standard rent areas, and the utility allowance schedule;
- D. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- E. Portability requirements and opportunities;
- F. An explanation and copies of the forms required to initiate and complete the move; and
- G. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the Metropolitan Development and Housing Agency's approval, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give the Metropolitan Development and Housing Agency a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the

Metropolitan Development and Housing Agency will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

A family who gives notice to terminate the lease must mail the notice by certified mail or have the landlord or his agent sign a statement stating the date and time received. The family will be required to provide the certified mail receipt and a copy of the lease termination notice to the Metropolitan Development and Housing Agency, or a copy of the lease termination notice and the signed statement stating the date and time the notice was received. If the landlord or his/her agent does not accept the certified mail receipt, the family will be required to provide the receipt and envelope showing that the attempt was made.

Failure to follow the above procedures may subject the family to termination from the program.

8.0 PORTABILITY

8.1 *GENERAL POLICIES OF THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY (MDHA)*

A family whose head or spouse has a domicile (legal residence) or works in the jurisdiction of MDHA at the time the family first submits its application for participation in the program to MDHA may lease a unit anywhere in the jurisdiction of MDHA or outside MDHA jurisdiction as long as there is another entity operating a tenant-based Housing Choice Voucher program covering the location of the proposed unit.

If the head or spouse of the assisted family does not have a legal residence or work in the jurisdiction of MDHA at the time of its application, the family will not have any right to lease a unit outside of MDHA jurisdiction for a 12-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of MDHA.

Families participating in the Voucher Program will not be allowed to move more than once in any 12-month period and under no circumstances will MDHA allow a participant to improperly break a lease. Under extraordinary circumstances MDHA may consider allowing more than one move in a 12-month period.

Families may only move to a jurisdiction where a Housing Choice Voucher Program is being administered.

If a family has moved out of their assisted unit in violation of the lease, MDHA will not issue a voucher, and will terminate assistance in compliance with Section 17.0, Grounds for Termination of the Lease and Contract.

8.2 INCOME ELIGIBILITY

A. Admission

A family must be income-eligible in the area where the family first leases a unit with assistance in the Voucher Program.

B. If a portable family is already a participant in the Initial Housing Agency's Voucher Program, income eligibility is not re-determined.

8.3 PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AGENCY

A. When a family utilizes portability to move to an area outside the Initial PHA jurisdiction, another PHA (the Receiving Housing Agency) must administer assistance for the family if that PHA has a tenant-based program covering the area where the unit is located.

B. A PHA with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such PHA, MDHA will provide the family with the contact information for the receiving PHAs and the family may choose which PHA shall become the receiving PHA. The family may request that MDHA choose the receiving PHA if they prefer.

8.4 PORTABILITY PROCEDURES

A. When MDHA is the Initial PHA:

- 1. MDHA will determine the family's eligibility to move in accordance with 982-353 and 982.354 and brief the family on the process that must take place to exercise portability.**
- 2. Prior to approving the family's request to exercise portability, MDHA will verify the Receiving PHA's intent to absorb the family into their program or bill MDHA for the assistance paid on the family's behalf. If the receiving PHA will absorb the family, MDHA will forward the appropriate documentation to the receiving PHA as stated below.**

If the receiving PHA indicates they will bill MDHA for the assistance paid on the family's behalf, MDHA will then verify the receiving PHA's applicable payment standard for the eligible bedroom size of the family and verify the occupancy standards of the receiving PHA.

If it is determined that the housing assistance payment is going to be equal to, or lower, in the new jurisdiction, MDHA will forward the appropriate documentation to the Receiving PHA as stated.

If it is determined that the housing assistance payment is going to be higher in the new jurisdiction, MDHA will not allow the family to exercise portability of the voucher. The family will be advised their request to exercise portability will not be allowed, based on the Federal program regulations at 24 CFR 982.454 which provide that a HAP contract may be terminated when there are insufficient funds being provided under HUD's contract with MDHA to maintain continued assistance for the family.

3. MDHA will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable).
4. MDHA will advise the family how to contact and request assistance from the Receiving PHA.
5. MDHA will, within ten (10) calendar days, notify the Receiving PHA to expect the family.
6. MDHA will immediately mail to the Receiving PHA the HUD Form 52665 along with the applicable HUD Form 50058 (Family Report) for the family, and related verification information.

B. When MDHA is the Receiving PHA:

1. When the portable family requests assistance from MDHA, MDHA will within ten (10) calendar days inform the Initial PHA whether it will bill the Initial PHA for assistance on behalf of the portable family, or absorb the family into its own program. When MDHA receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.
2. MDHA will issue a voucher to the family. The term of MDHA's voucher will not expire before 30 days after the expiration date of any Initial PHA's voucher. MDHA will determine whether to extend the voucher term. If a voucher is extended, MDHA will notify the initial PHA. The family must submit a request for tenancy approval to MDHA during the term of MDHA's voucher.
3. MDHA will determine the family unit size for the portable family. The family unit size is determined in accordance with MDHA's subsidy standards.

4. MDHA will within ten (10) calendar days notify the Initial PHA if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.
5. If MDHA opts to conduct a new reexamination, MDHA will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
6. In order to provide tenant-based assistance for portable families, MDHA will perform all Housing Agency program functions, such as reexaminations of family income and composition. At any time, either the Initial PHA or MDHA may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

C. Absorption by MDHA

1. If funding is available under the consolidated ACC for MDHA's Voucher Program when the portable family is received, MDHA will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for MDHA's Tenant-Based Program.

D. Portability Billing

1. To cover assistance for a portable family, the Receiving PHA may bill the Initial PHA for housing assistance payments and administrative fees. The billing procedure will be as follows:
 - a. As the Initial PHA, MDHA will promptly reimburse the Receiving PHA for the full amount of the housing assistance payments made by the Receiving PHA for the portable family. The amount of the housing assistance payment for a portable family in the Receiving PHA's program is determined in the same manner as for other families in the Receiving PHA's program.
 - b. The administrative fee amount will be the lesser of 80% of the initial PHA's prorated column B administrative fee rate (as provided by the initial PHA under Part I, line 10 of form HUD-52665) or 100% of the receiving PHA's prorated column B administrative fee rate.

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving PHA that has not absorbed the family, the Housing Agency in the new jurisdiction

to which the family moves becomes the Receiving PHA, and the first Receiving PHA is no longer required to provide assistance for the family.

9.0 DETERMINATION OF FAMILY INCOME

9.1 INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME

To determine annual income, the Metropolitan Development and Housing Agency counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the Metropolitan Development and Housing Agency subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment.

9.2 INCOME

A. Annual income means all amounts, monetary or not, that:

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. Exception: MDHA may, for any earned income in which it is known the income will only be for a specific period (i.e. school employees), MDHA will calculate the annual income based on the amount of income to be derived for the actual period, and not annualize it for 12 months. In addition, MDHA will not complete an interim change when the income stops, unless it stops due to termination prior to the already determined income period.
3. Are not specifically excluded from annual income.

B. Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not 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 is included in income, except to the

extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not 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 an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, 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.)
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
6. Welfare assistance.
 - a. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
 - i. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - ii. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount

calculated under this requirement is the amount resulting from one application of the percentage.

- b. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
 - c. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
- 7. Any financial assistance, in excess of amounts received for tuition, mandatory fees and charges that an individual receives under the Higher Education Act of 1965 (20 U.S.C.1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.
 - 8. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
 - 9. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)

9.3 EXCLUSIONS FROM INCOME

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. Subject to 9.2 B (7), 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. The amounts received from the following programs:
 - 1. Amounts received under training programs funded by HUD;
 - 2. 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);
 - 3. Amounts received by a participant 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 that are made solely to allow participation in a specific program;
 - 4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Agency or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
 - 5. 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;
 - 6. Temporary, nonrecurring, or sporadic income (including gifts);

7. 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;
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
11. 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;
12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- (i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b));
- (ii) Payments to Volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f)(1), 5058);
- (iii) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
- (iv) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- (v) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- (vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6);
- (vii) The first \$2000 of per capita shares received from judgment

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

(viii) Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if that individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);

(ix) Payments received from programs funded under title V of the Older Americans Act of 1965 (42 U.S.C. 3056g);

(x) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);

(xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1721);

(xii) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

(xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l));

(xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

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

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

(xvii) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2));

(xviii) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C.1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

(xix) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));

(xx) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437A) by section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289);

(xxi) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under NAHASDA and administered by the Office of Native American Programs;

(xxii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F. Supp. 2d 10 (Oct. 5, 2011 D.D.C.), as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291); and

(xxiii) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) comparable disaster assistance provided by States, local governments, and disaster assistance organizations shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs (42 U.S.C. 5155(d)).

I. Disallowance for Increase in Earned Income for Persons with Disabilities.

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

For the purposes of this section, the following definitions apply:

Disallowance. Exclusion from annual income.

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

Qualified Family. A disabled family residing in housing assisted under one of the programs listed above or receiving tenant-based rental assistance under one of the programs listed above:

- (1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- (2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during any participation in any economic self-sufficiency or other job training program; or
- (3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs

Disallowance of increase in annual income.

- (1) *Initial twelve-month exclusion.* During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, MDHA will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.
- (2) *Second twelve-month exclusion and phase-in.* During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, MDHA will exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.
- (3) *Maximum four-year allowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (1) or (2) is limited to a lifetime 48-month period starting from the initial exclusion under paragraph (1) of this section.
- (4) Effective May 9, 2016, the time period during which a qualifying family is eligible to receive the benefit of the earned income disregard is changed to 24 straight months. Any qualifying family under EID prior to May 9, 2016 will continue under the 48-month time period provision.

9.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent
- B. \$400 for any elderly family or disabled family
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. 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 person with disabilities.
- D. For any elderly or disabled family:
 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 2. That has disability expenses greater than or equal to 3% of annual income,

an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;

3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.

E. Child care expenses.

10.0 VERIFICATIONS

In accordance with 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2) for the Public Housing and the HCV programs, respectively, MDHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

The Metropolitan Development and Housing Agency will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of family members 18 years of age and older, Social Security Numbers, citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

10.1 ACCEPTABLE METHODS OF VERIFICATION

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

10.2 THE VERIFICATION HIERARCHY

MDHA will begin with the highest level of verification techniques and obtain an EIV Income Report for each household. MDHA will maintain the Income Report in the tenant

File along with the form HUD-50058 and other documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the EIV Income Report does not contain any employment and income information for The family, MDHA will attempt the next lower level verification technique, as noted in the chart below.

Level	Verification Technique	Ranking
6	Upfront Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	Highest (Mandatory)
5	Upfront Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written third Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third Party Verification Form	Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	Oral Third Party Verification	Low (Mandatory if written third party

verification is not available)

1 Tenant Declaration

Low (Use as a last resort when unable to obtain any type of third party verification)

EIV data, along with at least three (3) consecutive current pay stubs and/or acceptable employer letters will be considered as a 3rd party source to verify tenant employment and income information. EIV is the only verification necessary for Social Security (SS) and Supplemental Security Income (SSI) benefits, **unless** the tenant disputes EIV. MDHA will pursue traditional 3rd party verification if:

1. The tenant is unable to provide documents requested by MDHA;
2. The tenant-provided documents are unacceptable to MDHA;
3. The tenant disputes EIV **and** one or both of above conditions apply

Traditional 3rd party verification includes written documentation. This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the Metropolitan Development and Housing Agency or automatically by another government agency, i.e. the Social Security Administration. Verification forms and reports received will be retained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name date of contact, amount received, etc.

The Metropolitan Development and Housing Agency will accept authentic and original documentation originating from a 3rd-party source from the applicant/participant as written 3rd party verification. Photocopies of the documents provided by the family will be retained in the file. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations.

When neither third party verification nor hand-carried verification can be obtained, the Metropolitan Development and Housing Agency will accept a notarized statement signed by the head, spouse or co-head. Such documents will be retained in the file.

10.3 TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the Metropolitan Development and Housing Agency will send a request form to the source along with a release form signed by the applicant/participant.

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
General Eligibility Items		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc.	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
<p>Value of and Income from Assets – Note: MDHA may accept as verification a family's declaration of the amount of assets of less than \$5000, and the amount of income expected to be received from those assets as declared on the Personal Declaration form at their annual re-exam. Only assets with a value of \$5,000 or more will require third-party verification, <u>provided MDHA is able to verify the asset or expense through a review of ORIGINAL documents provided by the family.</u> A photocopy of the original document will be retained in the family file. All assets must be verified via third-party verification at least every three years.</p>		

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
Savings, checking accounts	Letter from institution	Passbook, most current statements
CDs, bonds, etc.	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc.	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth
Income		
Earned income	EIV System, Letter from employer,	At least three current and consecutive pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
Periodic payments (i.e., social security, welfare,	EIV System or Letter or electronic	Award letter, letter announcing change in amount

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
pensions, workers' comp, unemployment)	reports from the source,	of future payments
Training program participation	Letter from program provider indicating - whether enrolled - whether training is HUD-funded - whether State or local program - whether it is employment training - whether payments are for out-of-pocket expenses incurred in order to participate in a program	N/A

10.4 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS

The citizenship/ eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The Metropolitan Development and Housing Agency will make a copy of the individual's INS documentation and place the copy in the file. The Metropolitan Development and Housing Agency also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the Metropolitan Development and Housing Agency will mail information to the INS so a manual check can be made of INS records.

Family members who do not claim to be citizens, nationals or eligible noncitizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the Housing Choice Voucher Program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the delay is caused by the family.

If the Metropolitan Development and Housing Agency determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Housing Choice Voucher unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.

10.5 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member must provide verification of his or her Social Security Number. New family members must provide this verification prior to being added to the lease.

The best verification of the Social Security Number is the original Social Security card.. Other acceptable documentation includes an original document issued by:

- ❖ Federal government agency (e.g. SSA, IRS, etc.): or
- ❖ State government agency, except that;
 - The document must contain the SSN of the individual, along with other identifying information (e.g. Unemployment office, Department of Social Services, Child Support Office, etc.). Driver's license, military ID, passports, or other official documents that establish and state the SSN are also acceptable.

If an **applicant** family that includes a member under the age of 6 added to the household within 6 months prior to voucher issuance indicates they have a Social Security Number for the child or are in the process of obtaining a Social Security Number for the child, but cannot readily verify it, the family may be assisted provided the SSN is verified within 90 days of admission to the program. . MDHA will grant one additional 90 day extension to a family who fails to provide the verification within the initial 90 day period provided MDHA is able to document the reason for the family's failure to comply was due to

circumstances that could not reasonably have been foreseen and were outside the control of the applicant. If the applicant family does not produce the required documentation within the authorized time period, the applicant family will be subject to penalties in accordance with 24 CFR 5.218 which includes termination of assistance.

If a member of a **participating** family indicates they have a Social Security Number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to 90 days to provide the verification. If the individual is at least 62 years of age, they will be given 180 days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. Once the member's social security number is validated by EIV, the verification will be removed from the file and destroyed.

10.6 TIMING OF VERIFICATION

Verification must be dated within 90 days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Agency will verify and update only those elements reported to have changed.

10.7 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their status will be verified.

For each family member, verification of Social Security Number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination.

10.8 AUTOMATED VERIFICATION SYSTEMS

Applicability

The procedures outlined in this document apply to the administration of the Housing Choice Voucher program by Rental Assistance Department of the Metropolitan Development and Housing Agency. The procedures apply to all data, regardless of the media on which they are recorded. Computerized media containing data will be afforded the same levels of protection given to paper documents or any other media with information.

Purpose

The purpose of this document is to provide guidance to assure that the practices, controls and safeguards used by MDHA Rental Assistance staff adequately protect the confidentiality of the tenant wage data and are in compliance with the Federal laws regarding the protection of this information.

Privacy Act Considerations

The data provided via any automated system will be protected to ensure that they are only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data.

The Privacy Act provides safeguards for individuals against invasions of privacy by requiring Federal agencies, except as otherwise provided by law or regulation, to:

1. Permit individuals to know what records pertaining to them are collected, maintained, used, or disseminated;
2. Allow individuals to prevent records pertaining to them, obtained for a particular purpose, from being used or made available for another purpose without their consent;
3. Permit individuals to gain access to information pertaining to them, obtain a copy of all or any portions thereof, and correct or amend such records;
4. Collect, maintain, use, or disseminate personally identifiable information in a manner that ensures the information is current and accurate, and that adequate safeguards are provided to prevent misuse of such information;
5. Permit exemption from the requirements of the Act only where an important public policy need exists as determined by specific statutory authority; and
6. Be subject to a civil suit for any damages that occur as a result of action that violates any individual's rights under this Act.

Any authorized Rental Assistance staff obtaining data from a System will assure that a copy of Form HUD-9886, *Authorization for the Release of Information/Privacy Act Notice*, has been signed by each member of the household age 18 years old or older and is in the household file.

SAFEGUARDING AUTOMATED SYSTEMS DATA

As a condition of receiving data from any Automated Systems, the Metropolitan Development and Housing Agency establishes and agrees to maintain the following safeguards designed to prevent unauthorized use of the information and to protect the confidentiality of the information.

LIMITING ACCESS TO DATA

The Metropolitan Development and Housing Agency will restrict access to the Systems only to persons whose duties or responsibilities require access. In the Rental Assistance department, these persons are Administrative Clerks, Section 8 Occupancy Specialists, Eligibility Specialists, Supervisors, Assistant Director, and Director. A file will be maintained that will include a record of all authorized users and a copy of any System User Agreement. At least quarterly, the Director or Assistant Director will conduct a review of all user IDs to determine if the user still has a valid need to access the Systems. As an authorized user's employment status changes, their access rights will be modified or revoked as appropriate.

PHYSICAL SECURITY REQUIREMENTS

The data obtained will be retained in the tenant file for at least three (3) years, as required by 982.158 (f) (1). All files containing information obtained from a System will be labeled "Confidential" and maintained either in the central file room, where access will be restricted to departmental employees or in the authorized user's private office in



locked metal file cabinets. The doors to the central file room will remain closed at all times with signs stating area is "For Authorized Personnel Only". No one other than departmental employees will be allowed access to the file room. Anyone other than a departmental employee wishing to enter the file room will require an escort by an authorized employee, who shall remain in the presence of the unauthorized visitor at all times.

COMPUTER SYSTEM SECURITY REQUIREMENTS

No data will be saved to a computer hard drive or any other automated information system. The user is to print reports when available and immediately place in the tenant file marked “Confidential”.

Authorized users are to avoid leaving data displayed on their computer screens where unauthorized users may view it. A computer is to never be left



unattended with data displayed on the screen. If an unauthorized user enters the area where data is being displayed, the authorized user should immediately minimize or close-out the screen on which the data is being displayed.

All MDHA employees who access the system will have a signed User Agreement on file. Authorized users are to maintain the security of their User Account by not disclosing their passwords to other staff members and not sharing their user accounts with other employees or contractors. Authorized users are not to, deliberately or inadvertently, override the authorized access levels by providing data to others who have limited or no access rights to the data.

DISPOSAL OF INFORMATION

All originals and any documents created in association with their use will be destroyed by shredding. The data and related documents will be pulled from any active file after three (3) years and shredded. A Disposal Log will be maintained to include the name of employee who conducted the disposal, a description of the documents, method of disposal and the date of disposal.



For inactive files, MDHA contracts to have these files imaged and the imaged files are placed on a server with restricted access. An index of all imaged files is maintained. Before imaging an

inactive file, all data that is over three (3) years old will be pulled from the file, shredded and documented on the Disposal log. Any Data dated within three (3) years of move-out date will be imaged along with other required documentation and maintained on the secure server. After the inactive files are imaged, the entire file is shredded.

SECURITY AWARENESS TRAINING

Before granting access rights to the Systems the Metropolitan Development and Housing Agency will:

Ensure that all users of Systems receive training in security policies and procedures at the time of employment and at least annually afterwards;

Maintain a record of all personnel who have attended training sessions;

Communicate security information and requirements to appropriate personnel using various methods including discussions at staff meetings and security bulletins posted throughout the work areas; and

Distribute all User Guides and Security Procedures to personnel using Systems.

All users agree to:

- Report any evidence of unauthorized access or known security breaches to the Executive Director and the HUD Field Office;
- Document all improper disclosures in writing; and
- Report all security violations regardless of whether the security violation was intentional or unintentional.

When using any System, each employee is expected to comply with these policies and Chapter 10 – Information Systems Policy of the MDHA Personnel Policy. Any employee found to have violated these policies may be subject to suspension of access privileges, disciplinary action, termination, and civil and criminal liability.

11.0 RENT AND HOUSING ASSISTANCE PAYMENT

11.1 GENERAL

After October 1, 1999, the Metropolitan Development and Housing Agency will issue only vouchers to applicants, movers, and families entering the jurisdiction through portability. Certificates currently held will continue to be honored until the transition of the merger of the Section 8 Certificate and Voucher programs as outlined in 24 CFR 982.502 is complete (see Section 21.0 for additional guidance).

11.2 RENT REASONABLENESS

The Housing Agency will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 days before the contract anniversary date there is a 10% decrease in the published FMR as compared to the previous FMR; and
- C. If the Housing Agency or HUD directs that reasonableness be re-determined.

11.3 COMPARABILITY

In making a rent reasonableness determination, the Housing Agency will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The Housing Agency will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

The Housing Agency will maintain current survey information on rental units in the jurisdiction. The Housing Agency will also obtain from landlord associations and management firms the value of the array of amenities.

The Housing Agency will establish minimum base rent amounts for each unit type and bedroom size. To the base the Housing Agency will be able to add or subtract the dollar value for each characteristic and amenity of a proposed unit.

Owners are invited to submit information to the survey at any time. Owners may review the determination made on their unit and may submit additional information or make improvements to the unit that will enable the Housing Agency to establish a higher value.

The owner must certify the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

11.4 MAXIMUM SUBSIDY

For the Voucher Program, the maximum payment standard will be the applicable payment standard as adopted by the Agency

For a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

For manufactured home space rental, the maximum subsidy under any form of assistance is the Fair Market Rent for the space as outlined in 24 CFR 982.888.

11.4.1 Setting the Payment Standard

HUD requires that the payment standard be set by the Metropolitan Development and Housing Agency at between 90 and 110% of the applicable FMR/SAFMR. To allow program participants as much opportunity and choice possible in finding suitable housing, the Metropolitan Development and Housing Agency will review the Payment Standards each time the Department of Housing and Urban Development publishes new Fair Market Rents.

MDHA may approve a payment standard of not more than 120% of FMR/SAFMR without HUD approval as a reasonable accommodation for a family that includes a person with a disability. Before approving a payment standard for a family under this paragraph, the following documentation must be maintained that shows:

A rent reasonableness analysis was conducted in accordance with HCV regulations;

The family requested lease approval for the unit and requested an exception payment standard as a reasonable accommodation; and

The unit has features that meet the needs of a family member with disabilities.

11.4.2 Selecting the Correct Payment Standard for a Family

- A. For the voucher tenancy, the payment standard for a family is the lower of:
 - 1. The payment standard for the family unit size; or
 - 2. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the Housing Agency will use the appropriate payment standard for the exception rent area.
- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
 - 1. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
 - 2. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C above does not apply.
- E. If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be considered when determining the payment standard at the next annual reexamination.
- F. If there is a reduction in the applicable payment standard during the term of the HAP contract, MDHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

11.4.3 Area Exception Rents

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the Housing Agency may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The Housing Agency may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as the Housing Agency requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

11.4.7 Setting the Payment Standard for Community Choice Demonstration Participants

For program participants in the Community Choice Demonstration, MDHA may approve a payment standard for units within census tracts identified as high-opportunity area by the Community Choice Demonstration not less than 110% of the Davidson County Fair Market Rent (DCFMR) and not more than 200% of DCFMR. Payment standards in census tracts not considered high-opportunity areas shall continue to be set by in accordance with section 11.4.1 (Setting the Payment Standard) of the Section 8 Administrative Plan. If any current PBV properties are located within high-opportunity areas, their payment standards shall continue to be based upon the metropolitan FMR annually set by HUD and previously agreed upon by MDHA and the PBV owner. A PBV-assisted project's HAP contract shall not be revised to align with the payment standards for the Community Choice Demonstration.

11.5 ASSISTANCE AND RENT FORMULAS

A. Total Tenant Payment

The total tenant payment is equal to the highest of:

1. 10% of monthly income
2. 30% of adjusted monthly income
3. Minimum rent
4. The welfare rent

Plus any rent above the payment standard.

B. Minimum Rent.

The Metropolitan Development and Housing Agency has set the minimum rent as \$ **50.00**. However, if the family requests a hardship exemption, the Metropolitan Development and Housing Agency will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the Housing Agency can determine whether hardship exists and

whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:
 - a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
 - b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
 - c. When the income of the family has decreased because of changed circumstances, including loss of employment;
 - d. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
 - e. When a death has occurred in the family.
2. No hardship. If the Housing Agency determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the Housing Agency for the time of suspension.
3. Temporary hardship. If the Housing Agency determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Agency will offer a reasonable repayment agreement for any minimum rent back payment paid by the Housing Agency on the family's behalf during the period of suspension.
4. Long-term hardship. If the Housing Agency determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals. The family may use the informal hearing procedure to appeal the Housing Agency's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

C. Section 8 Merged Vouchers

1. The payment standard is set by the Housing Agency between 90% and 110% of the FMR or higher or lower with HUD approval.
2. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard.
3. No participant when initially receiving tenant-based assistance on a unit shall pay more than 40% of their monthly-adjusted income.

D. Section 8 Preservation Vouchers

1. Payment Standard

- a. The payment standard is the lower of:
 - i. The payment standard amount for the appropriate family unit size; or
 - ii. The payment standard amount for the size of the dwelling unit actually rented by the family.
- b. If the dwelling unit is located in an exception area, the Metropolitan Development and Housing Agency will use the appropriate payment standard for the exception area.
- c. During the HAP contract term, the payment standard for the family is the higher of :
 - i. The initial payment standard (at the beginning of the HAP contract term), as determined in accordance with paragraph (1)(a) or (1)(b) of this section, minus any amount by which the initial rent to the owner exceeds the current rent to the owner; or
 - ii. The payment standard as determined in accordance with paragraph (1)(a) or (1)(b) of this section, as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- d. At the next regular reexamination following a change in family composition that causes a change in family unit size during the HAP contract term, and for any examination thereafter during the term:

- i. Paragraph (c)(i) of this section does not apply; and
 - ii. The new family unit size must be used to determine the payment standard.
 - 2. The Metropolitan Development and Housing Agency will pay a monthly housing assistance payment on behalf of the family that equals the lesser of:
 - a. The payment standard minus the total tenant payment; or
 - b. The gross rent minus the total tenant payment.
- E. **Manufactured Home Space Rental: Section 8 Vouchers**
- 1. The payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.
 - 2. The space rent is the sum of the following as determined by the Housing Agency:
 - a. Rent to the owner for the manufactured home space;
 - b. Owner maintenance and management charges for the space; and
 - c. Utility allowance for tenant paid utilities.
 - 3. The participant pays the rent to owner less the HAP.
 - 4. HAP equals the lesser of:
 - a. The payment standard minus the total tenant payment; or
 - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.
- F. **Rent for Families under the Non-citizen Rule**
- A mixed family will receive full continuation of assistance if all of the following conditions are met:
- 1. The family was receiving assistance on June 19, 1995;
 - 2. The family was granted continuation of assistance before November 29, 1996;

3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. The Metropolitan Development and Housing Agency will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the Metropolitan Development and Housing Agency will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated tenant rent equals the prorated family share minus the full utility allowance.

11.6 UTILITY ALLOWANCE

MDHA maintains a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

The utility allowance schedule is determined 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. In developing the schedule, the Housing Agency uses normal patterns of consumption for the community as a whole and current utility rates.

MDHA reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. MDHA maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the **Rental Assistance** Department.

MDHA will use the appropriate utility allowance based on the lower of the voucher size for the family or unit size of dwelling unit actually leased by the family.

At each reexamination, MDHA applies the utility allowance from the most current utility allowance schedule.

MDHA will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

The utility allowance will be subtracted from the family's share to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the owner. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

Before executing a HAP Contract on their behalf and at each annual recertification, the family must provide MDHA with verification that any tenant-provided utility service is active and in the name of the head-of household. A family's failure to provide verification of utility service in the head-of-household name will be considered a failure to fulfill their obligations under the program and they may be denied assistance or terminated from the program.

11.7 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT

MDHA pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the Metropolitan Development and Housing Agency a late payment in accordance with the HAP Contract and generally accepted practices in the Metropolitan Development and Housing Agency jurisdiction.

11.8 OVERLAPPING HOUSING ASSISTANCE PAYMENT

Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

11.9 CHANGE OF OWNERSHIP

The Metropolitan Development and Housing Agency requires a written request by the owner who executed the HAP contract in order to make changes regarding who is to receive the Metropolitan Development and Housing Agency's rent payment or the address as to where the rent payment should be sent.

In addition, the Metropolitan Development and Housing Agency requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust showing the transfer of title; and
- B. Verification of Tax Identification Number or Social Security Number.

New owners will be required to execute a HAP Contract Transfer form, IRS form W-9 and provide verification of the SSN or taxpayer id number; and sign-up for the Direct Deposit program by executing a Direct Deposit Authorization form and providing a voided-check or other verification of the transit routing number and account number. The Metropolitan Development and Housing Agency may withhold the rent payment until the required information is received.

12.0 INSPECTION POLICIES, HOUSING QUALITY STANDARDS

The Metropolitan Development and Housing Agency will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Housing Choice Voucher Program unless the HQS is met. Units receiving assistance will be inspected at least biennially, and at other times as needed, to determine if the units meet HQS.

The Metropolitan Development and Housing Agency must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and owner will be notified of the inspection appointment by first class mail, email or phone call. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the Housing Agency to enter the unit and complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, the Metropolitan Development and Housing Agency will only schedule one more inspection. If the family misses two inspections, the Metropolitan Development and Housing Agency

will consider the family to have violated a Family Obligation and their assistance will be terminated.

12.1 TYPES OF INSPECTIONS

There are five types of inspections the Metropolitan Development and Housing Agency may perform:

- A. Initial Inspection - An inspection that must take place to insure that the unit passes HQS before assistance can begin.
- B. Annual/Biennial Inspection - An inspection to determine that the unit continues to meet HQS.
- C. Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit;
- D. Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- E. Quality Control Inspection - Supervisory inspections on at least 5% of the total number of units that were under lease during the Housing Agency's previous fiscal year.

Effective January 1, 2024, MDHA has elected to conduct housing quality standards (HQS) inspections biennially rather than annually for assisted units, which means the unit may be inspected every two years instead of every year.

HUD requires that the owner and assisted family household allow the unit to be inspected at reasonable times with reasonable notice.

Scheduling of the Inspection. After a unit is accepted into the HCV Program, it is inspected annually/biennially as long as it remains on the Program. Inspections are conducted between 30 to 60 days before the inspection due date. The due date is the original date in which the initial or annual/biennial inspection was scheduled the previous year (two years for biennial inspections), regardless of any additional inspections that may have been required. The anniversary date is always driven from this inspection date.

This option to perform biennial inspections applies to assisted units during the term of a HAP contract. MDHA must still perform inspections prior to executing a HAP contract, and on an interim basis when requested by a family or government official.

Starting in January 2024, the Metropolitan Development and Housing Agency will be conducting our HQS Inspections every other year as opposed to annually. The following units may still be required to be inspected annually:

- Units owned by an owner found to regularly fail to maintain units in accordance with inspection requirements or other violations of owner obligations.
- Units found to regularly have family-caused life-threatening deficiencies.

MDHA’s policy regarding Complaint Inspections will not be impacted by this, participants or owners can still request these at any time. In addition, owners will continue to have the ability to self-certify for minor fails.

12.2 OWNER AND FAMILY RESPONSIBILITY

A. Owner Responsibility for HQS

1. The owner must maintain the unit in accordance with HQS.
2. If the owner fails to maintain the dwelling unit in accordance with HQS, the Metropolitan Development and Housing Agency will take prompt and vigorous action to enforce the owner obligations. The Metropolitan Development and Housing Agency's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
3. The Metropolitan Development and Housing Agency will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the Metropolitan Development and Housing Agency and the Metropolitan Development and Housing Agency verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects the owner must correct the defect within no more than 30 calendar days (or any Metropolitan Development and Housing Agency approved extension).
4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the Metropolitan Development and Housing Agency may terminate assistance to a family because of the HQS breach caused by the family.

B. Family Responsibility for HQS

1. The family is responsible for a breach of the HQS that is caused by any of the following:

- a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;
 - b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
 - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any Metropolitan Development and Housing Agency approved extension).
 3. If the family has caused a breach of the HQS, the Metropolitan Development and Housing Agency will take prompt and vigorous action to enforce the family obligations. The Metropolitan Development and Housing Agency may terminate assistance for the family in accordance with 24 CFR 982.552.

12.3 HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401

This Section states performance and acceptability criteria for these key aspects of the following housing quality standards:

A. Sanitary Facilities

1. Performance Requirements

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

2. Acceptability Criteria

- a. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- b. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- c. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.

- d. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

B. Food Preparation and Refuse Disposal

1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

2. Acceptability Criteria

- a. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- b. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

C. Space and security

1. Performance Requirement

The dwelling unit must provide adequate space and security for the family.

2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- b. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- c. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- d. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

D. Thermal Environment

1. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

2. Acceptability Criteria

- a. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
- b. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

E. Illumination and Electricity

1. Performance Requirement

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can

use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

2. Acceptability Criteria

- a. There must be at least one window in the living room and in each sleeping room.
- b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- c. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

F. Structure and Materials

1. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

2. Acceptability Criteria

- a. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The roof must be structurally sound and weather tight.
- c. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- d. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- e. Elevators must be working and safe.

G. Interior Air Quality

1. Performance Requirement

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. Performance Requirements

The water supply must be free from contamination.

2. Acceptability Criteria

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination.

I. Lead-based Paint

1. Definitions

- a. Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.

- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.
- d. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm^2), or 0.5 % by weight or 5000 parts per million (PPM).

2. Performance Requirements

- a. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
- b. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- d. The Housing Agency may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a

lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- e. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of Housing Agency notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
 - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
 - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
 - iii. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- g. In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- h. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:

- i. Within the unit;
 - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
 - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- j. In lieu of the procedures set forth in paragraph g of this Section, the housing authority may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
- i. A defective paint surface shall be treated if the total area of defective paint on a component is:
 - (1) More than 10 square feet on an exterior wall;
 - (2) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
 - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
 - ii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydro-blasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

- iii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydro-blasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
 - iv. During exterior treatment soil and playground equipment must be protected from contamination.
 - v. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
 - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.
- l. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
 - m. Prior to execution of the HAP contract, the owner must inform the Housing Agency and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
 - n. The Housing Agency must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the Housing Agency must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, the Housing Agency must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a certificate or voucher to move.
 - o. The Housing Agency must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the

testing, the Housing Agency must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such chewable surfaces do not have to be tested or treated at any subsequent time.

- p. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Access

1. Performance Requirements

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

K. Site and Neighborhood

1. Performance Requirements

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

2. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirements

The dwelling unit and its equipment must be in sanitary condition.

2. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Performance Requirements

- a. Except as provided in paragraph b below of this Section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).
- c. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

N. Other Provisions

Window Standards

- 1. Windows must be airtight, free of breaks and cracks, and the sashes must meet. There must be minimal or no deterioration. Screens, if present, must be in good condition.
- 2. In rooms where windows are required, the windows must open to the exterior of the unit.
- 3. At least one window in each room must open, if designed to open. Props are not allowed in any windows.

4. If the unit does not have central air conditioning, a screen must be installed on a window that opens.
5. A screen is required on at least one window in each room used for living or sleeping, including the bathroom, if there is a window present and it is made to be opened, unless there is central air conditioning.
6. Sliding glass doors can serve as windows in the Living Room or Bedroom if there are no windows. If the unit does not have central air conditioning, then a screen must be present on the sliding glass door. If windows are designed to be opened, at least one in each room used for living and sleeping must open and be capable of remaining up when opened without a prop.
7. Windows which are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
8. All windows accessible from the outside and made to be opened must have a permanent locking device. A storm window with an adequate locking device suffices for the security criteria if the storm window cannot be removed from the outside and provides the security throughout the entire year.
9. If windows are opened by cranks, the cranks must be present and operable.
10. Skylights and doors with glass may suffice for window requirements when air quality, ventilation, and egress criteria are otherwise met. A storm window may be used as the window unit only after thorough examination to determine that the security and ventilation requirements are met, and that there is adequate protection from weather elements.
11. If a unit has security bars on the windows, each room with the bars must have an exterior door, or at least one window in each room without an exterior door must have bars that open from the inside.

Owner use of detached garage or storage building:

An owner of an assisted unit may exclude a garage or storage unit from an assisted lease and use for personal use provided:

- The garage/storage building is structurally sound and poses no threat to the health and safety of the assisted family, including compliance with HQS lead-based paint requirements;
- The garage/storage building is not attached to the assisted unit;

- Exclusion of the garage/storage building is included in the lease or a lease addendum agreed upon and signed by the tenant;
- The garage/storage building is locked at all times when not in use by the owner;
- The owner use of the garage/storage building does not become burdensome or disruptive for the tenant; and
- The owner use of the garage/storage building does not prevent the tenant from access or use of other areas of the unit.

12.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA

The Metropolitan Development and Housing Agency will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the Metropolitan Development and Housing Agency has received HUD approval to require the following additional criteria:

- A. In each room, there will be at least one exterior window that can be opened and contains a screen, unless there is a central heating and air system.
- B. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead paint. An extension may be granted as a severe weather related item as defined below.
- C. Adequate heat shall be considered to be 68 degrees.
- D. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. A ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.

12.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS

- A. Correcting Initial HQS Fail Items

The Metropolitan Development and Housing Agency will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of a Request for Tenancy Approval. The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the Metropolitan Development

and Housing Agency to reschedule a re-inspection when the repairs have been properly completed.

On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

B. HQS Fail Items for Units under Contract

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the Metropolitan Development and Housing Agency will abate payment and terminate the contract in accordance with Sections 12.7 and 17.0(B)(3).

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the Metropolitan Development and Housing Agency will terminate assistance for the family in accordance with Sections 12.2(B) and 17.0(B)(3).

Self-Certification for Non-Emergency Fail Items

When a unit under contract fails to meet HQS but with no emergency repair items, MDHA will provide a HQS Repair Certification form to the landlord along with their copy of the Failed Inspection Notice and list of repairs. The HQS Repair Certification will be considered acceptable verification that the repairs were made and that the unit is in compliance with HQS requirements. The form must be signed by both the landlord and tenant and returned to MDHA by the deadline date given. If not returned by the deadline date, the unit will be considered to have failed re-inspection and the above remedies will be enforced.

If at any time after the execution of HQS Repair Certification it is determined that the repairs were not completed in a satisfactory manner or that the form submitted included false statements, misrepresentation, or false information, MDHA will enforce the above remedies and consider any other penalties allowed against the landlord and/or participant, including, but not limited to, not allowing future self-

certifications, termination of the family's assistance and/or banning landlord from future participation on the program.

Monitoring compliance

Every fourth HQS Repair Certification received will be selected for follow-up re-inspection. The assigned inspector will schedule a re-inspection within 2 weeks of receipt of the HQS Repair Certification. The inspector will document the inspection record as "Confirmed" or "Failed". If failed, the above penalties will be imposed, along with the following.

Upon first offense:

By a landlord - MDHA will not accept any HQS Repair Certification forms from that landlord for ninety (90) days. If the landlord makes repairs by the deadline date upon re-inspection of other units under contract during the 90 day period, the landlord will be allowed to submit the HQS Repair Certification upon expiration of the 90 day period.

By a tenant – MDHA will issue a written warning that any future fraudulent submissions of the HQS Repair Certification form will result in termination from the program.

Upon second offense:

A second offense by a landlord or tenant will result in the immediate termination of the HAP Contract and family's eligibility for continued assistance.

C. Time Frames for Corrections

1. Emergency repair items must be abated within 24 hours.
2. Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
3. Non-emergency items must be completed within 30 days of the initial inspection.

D. Extensions

For conditions that are life-threatening, MDHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the MDHA may grant an exception to the required time frames for correcting the

violation, if MDHA determines that an extension is appropriate [24 CFR 982.404]. *All requests for extensions must be made in writing to the attention of the Section 8 Inspection Supervisor and received by MDHA no less than 10 days from the original deadline date. Any extension requests received less than 10 days from the original deadline date will automatically be denied.*

MDHA Policy

Extensions will be granted in cases where MDHA has determined that the responsible party has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the responsible party's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available. MDHA may request written documentation that the part or service is unavailable or is on special order. In addition, MDHA may require a temporary alternative until permanent repair can be made; i.e. requiring a window to be boarded-up until special ordered window is delivered.
- A repair cannot be completed because of weather conditions. However in the case of a fail item involving chipped or peeling paint on the exterior of the unit, the chipped and peeling paint must be removed within the deadline date and an extension on the re-painting of the surface may be granted.
- A reasonable accommodation is needed because the family includes a person with disabilities.

Note: A tenant's or an owner's desire to not renew the lease, or tenant being under eviction *will not* be considered as reasons for an extension.

The length of the extension will be determined on a case by case basis, generally 30 days but not to exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

12.6 EMERGENCY FAIL ITEMS

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- A. No hot or cold water
- B. No electricity

- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Broken lock(s) on first floor doors or windows
- G. Broken windows that unduly allow weather elements into the unit
- H. Electrical outlet smoking or sparking
- I. Exposed electrical wires which could result in shock or fire
- J. Unusable toilet when only one toilet is present in the unit
- K. Security risks such as broken doors or windows that would allow intrusion
- L. Other conditions which pose an immediate threat to health or safety

12.7 ABATEMENT

When a unit fails to meet HQS and the owner has been given an opportunity to correct the deficiencies, but has failed to do so within in the required timeframe, the rent for the dwelling unit will be abated beginning the first of the month following the failed inspection deadline date.

If the correction of deficiencies are not made the abatement will continue until the HAP contract is terminated. If the owner complies on or before the date the abatement is scheduled to begin, Metropolitan Development and Housing Agency may reinstate HAP payments on the day the owner complies and reverse any notice of abatement or termination of HAP contract that may have been issued.

When the deficiencies are corrected, the Metropolitan Development and Housing Agency will end the abatement the day the unit passes inspection. Rent will resume the following day and be paid on the next scheduled payment date.

For tenant caused HQS deficiencies, the owner will not be held accountable and the rent will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the Metropolitan Development and Housing Agency will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

12.8 COMPLAINTS

When an unresolved service and/or repair complaint is reported the Metropolitan Development & Housing Agency will allow the responsible party an opportunity to resolve and respond to the complaint before taking further action.

Upon receipt of a complaint, a letter will be sent to the landlord and tenant providing details about the complaint and request that the issue be investigated and appropriate action taken. The responsible party will be required to provide a written report of findings and remedies within 10 working days of the letter. If there is no follow-up within the required time period the Metropolitan Development & Housing Agency may proceed with conducting a special inspection (see Section 12.1),

12.9 ALTERNATIVE INSPECTION METHODS

Provided MDHA is able to obtain the results, MDHA may rely upon inspections of housing assisted under the HOME Investment Partnerships (HOME) program or housing financed using Low-Income Housing Tax Credits (LIHTCs), or inspections performed by HUD.

13.0 RECERTIFICATION

13.1 ANNUAL REEXAMINATION

At least annually the Metropolitan Development and Housing Agency will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The Metropolitan Development and Housing Agency will send a notification letter to the family scheduling an interview appointment. The letter includes forms for the family to complete in preparation for the interview, and includes instructions permitting the family to reschedule the interview if necessary.

For elderly and/or disabled families, the Metropolitan Development and Housing Agency will conduct the reexamination by mail. The family will be required to return the required paperwork and provide all information regarding income, assets, expenses, and any other necessary information within 21 days.

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon receipt of all verifications and any other required documentation, the Metropolitan Development and Housing Agency will make a continued eligibility determination based on the family's household composition and income and will calculate the new family share.

13.1.1 Streamlined Annual Re-Examination for Fixed Sources of Income

MDHA may opt to conduct a streamlined re-examination of income for any family member with a fixed source of income. This option may be necessary when verifications of increases in fixed incomes are not available at the time the annual re-exam is due. For the purpose of this section, the term “fixed income: includes income from:

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
2. Federal, State, local and private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

When using this option, MDHA will recalculate the family fixed incomes by applying any published cost of living adjustments to the previously verified income amount. Non-fixed incomes must be verified in accordance with third-party verification requirements.

Income determinations will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income must be obtained.

For a family member whose income is determined pursuant to a streamlined income determination, third-party verification of all income amounts for all family members must be performed at least every three years.

13.1.2 Effective Date of Rent Changes for Annual Reexaminations

The new family share will generally be effective upon the anniversary date with a 30 day notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30 day notice of the change. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

13.1.3 Missed Appointments

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the Metropolitan Development and Housing Agency taking action to terminate the family's assistance.

If a family who completes reexamination by mail fails to submit the paperwork by the deadline, a second packet will be mailed. The packet will include a letter advising that failure to submit the required information by the new deadline will result in termination of the family's assistance.

13.2 INTERIM REEXAMINATION

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the Metropolitan Development and Housing Agency will take timely action to process the interim reexamination and recalculate the family share.

Families will be required to report in writing all changes in household income or in allowable expenses within 14 days of the date of the change to the Metropolitan Development and Housing Agency Rental Assistance Office. Interim re-examinations will be processed to increase rent when families report an addition of a member to the household, any increase in household income of a family who previously had no income (zero), any increase in household income of \$200 or more per month, and upon written request from the family. For example, FSS participants who wish to have their rent increased so they may receive an increase in their FSS escrow credit.

In addition to above, families are required to report the following changes to the Metropolitan Development and Housing Agency between regular reexaminations.

- A. A member has been added to the family through birth or adoption or court-awarded custody.
- B. A household member is leaving or has left the family unit.
- C. Family break-up

In circumstances of a family break-up, the Metropolitan Development and Housing Agency will make a determination of which family member will retain the voucher, taking into consideration the following factors:

1. To whom the voucher was issued.
2. The interest of minor children or of ill, elderly, or disabled family members.
3. Whether the assistance should remain with the family members remaining in the unit.
4. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

D. Absences from the Unit and Household Members Moving Out of the Unit

1. Permanent Absences; Temporary Absences [24 CFR 982.312 and 24 CFR 982.551(i)]

HUD regulations allow a PHA to establish its policy on how long the family may be absent from the unit, and determining when an individual household member is permanently absent. As per 24 CFR 982.312(a), the family may not be absent from the unit for a period of more than 90 consecutive calendar days. For purposes of this Plan, no household member may be absent from the unit under any circumstance for a period that exceeds 90 consecutive calendar days and be considered temporarily absent.

Families are required to notify MDHA before moving out of a unit and notify MDHA of any family absence from the unit that exceeds fourteen (14) days. In cases where the family has moved out of the unit, MDHA will terminate rental assistance in accordance with the appropriate termination procedures outlined in this chapter. In cases where documented domestic violence incident necessitates a family move, VAWA protections will be considered. The head of household is responsible for reporting changes in family composition 24 CFR 982.516(c). In accordance with this policy, MDHA evaluates absences from the unit and makes a determination whether participants stay on, or are terminated from, the program. At its discretion, MDHA may allow absences for a shorter period.

a. Definitions

- Absence
No family member resides in the unit.
- Temporary Absence
A family member is away from the unit for less than 90 calendar days. The income of the absent member is included.
- Permanent Absence
Death of a head of household or family member, or a family member away from the unit for 90 calendar days or more except as otherwise identified

in this policy. The income of a permanently absent member is excluded from family income.

b. Spouse, Co-head or Other Adult Leaves the Household

A spouse or other adult must be out of the household for at least 30 days before being considered permanently absent unless one of the following conditions is met:

- There is proof of incarceration;
- Legal separation is filed;
- A copy of divorce decree is supplied, or evidence of filing for a divorce is submitted
- There is proof the other adult has established a separate household before the end of the 30 days. Examples:
 - A lease is executed for another address before the end of the 30 day period with the other adult listed on the lease.
 - Another housing agency reports the other adult as a participant in another subsidized housing program before the end of the 30 day period.

If MDHA discovers, in the normal process of conducting business, that there is evidence to suggest that a spouse, co-head or other adult, is still in the household after s/he has been reported permanently absent, the person may still be considered as part of the household (income counted) for the purpose of determining income. In this case, the burden will be on the participant to verify through third party sources that the spouse, co-head or other adult is permanently absent.

MDHA may consider the following when determining if an adult member is permanently absent:

- Federal income tax returns are filed jointly and the return lists the assisted unit as the address for both parties (spouse only).
- Absent member is receiving mail at the unit address.
- Other social service or government agencies, such as the Department of Motor Vehicles (DMV) or the Department of Human Services, list the absent member as a member of the household or as residing at the assisted unit address
- Absent member uses the unit address for employment purposes.
- Criminal or arrest records show the absent member as residing at the unit address.

- There are reliable statements from the landlord and/or neighbors about the continued presence of the other adult.

If a household member (adult or minor) vacates the household, the head of household must report this change to MDHA, in writing, and certify as to whether the member is temporarily absent or permanently absent. The move out must be reported within fourteen (14) days. The head of household must certify in writing on the MDHA Interim Redetermination Change form, and in some instances may be required to verify through third party sources, when a household member has become permanently absent. Additional documentation may be requested to verify a new address if the household member is the head, spouse or co-head.

c. Court Ordered Absence

If a member of the household is subject to a court order that restricts them from the home for more than three months, the person is considered permanently absent.

d. Absence Due to Death

To avoid paying HAP or providing assistance to a unit on behalf of a deceased sole member household or other household member, MDHA staff will review the HUD EIV Deceased Tenant Report monthly. If a head of household or family member is listed and an EOP not already entered in YARDI, MDHA will verify the death. MDHA will place a payment hold effective immediately on the HAP/UAP payment for the unit until case completion, i.e. EOP, or interim re-exam completed in a remaining tenant situation or will take other appropriate action as required. HAP payments must stop at the end of the month in which the death occurs when a death occurs for a single member household and single member household with a live-in aide. The Landlord will be notified in writing by the MDHA of the deceased tenant and discontinuance of the HAP or change in HAP payment if there is a remaining tenant situation.

e. Absence Due to Military Service

Regulations provide support for families and dependents of military personnel (including reservists and guardsmen) called to active duty during designated military operations. Support can include, but is not limited to, the following:

- Allowing a guardian to move into the unit temporarily to care for the dependents the military person leaves in the unit. The guardian's income is exempt;
- Consideration of whether to allow delayed repayments;

- Allowing family absences from the unit with continued Housing Assistance Payments (HAP) to exceed normal guidelines because a member of the assisted family has been called to active duty as a result of designated military operations.

f. Adult Child Leaves the Household

An adult child, who leaves the household for military service or other reasons, is considered permanently absent. A student (other than a spouse) who attends school away from home but lives with family during school recesses is not considered a permanent household member for purposes of the unit size or household income determination.

g. Single Parent Leaves Temporarily (non-military)

When a single parent leaves a household and another adult comes into the household to take care of the children during the parent's absence, no change in household composition is made if the arrangement is temporary or for 30 days or less. If the parent continues to be out of the household beyond 30 days, program eligibility will be re-determined.

If neither parent remains in the household and an appropriate agency determines that another adult should be brought into the assisted unit to care for the children for an indefinite period, that adult is considered a visitor for the first 90 days. After 90 days, if court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher is transferred to the caretaker if the guardian/caretaker is eligible for assistance. If the appropriate agency cannot confirm the guardianship status of the caretaker, MDHA reviews the status at 90-day intervals.

If the court has not awarded custody or legal guardianship, but the action is in process, the Rental Assistance Specialist needs to secure the status verification from the Department of Human Services (DHS) staff or the attorney of record. The caretaker can remain in the unit, as a visitor, until a determination of custody occurs. When a person is approved to reside in the unit as caretaker for the children, their income is included pending a final disposition. MDHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

MDHA will work with military families where a single head of household is called to active duty to the greatest extent possible and allow a caretaker to remain in the unit during the deployment.

h. Children Removed from the Unit

If it is a one parent family and the children are removed from the parent for abuse

or neglect or other reasons, the parent retains his eligibility as a remaining member of the household (residual). To verify the absence of the child(ren), the Department of Children Services or another appropriate agency is contacted to determine how long the children will be out of the household. If the child(ren) have not returned to the unit by the next annual recertification, and DCS or another appropriate agency does not verify the absence as a temporary absence, the child is removed for purposes of subsidy standard calculation. To be included in the unit size determination, children must reside in the unit 51 percent of the time. Fifty-one percent of the time is defined as 183 days of the year, which do not have to run consecutively.

i. Absence Due To Medical Reason (24 CFR 982.312)

Reasonable cause includes verifiable medical reasons which may cause a household member to be absent from the unit longer than fourteen (14) days. If a family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, MDHA will contact a family member, or reliable qualified source, (i.e. licensed health care provider) to determine the likelihood and timing of the member's return. If the verification indicates that the family member will return within a period less than 90 days, the family member will not be considered permanently absent. If the verification indicates that the family member will be absent for no more than 180 days, the Director may approve the absence. If the verification indicates that the family member will be confined for more than 90 days, that member will be considered permanently absent from the assisted unit. If the permanently absent person is the sole household member, the rental assistance must be terminated unless an exception is granted by the Director due to a reasonable accommodation.

2. Absence of Entire Family (24 CFR 982.312(a);(d)(2))

Participants must notify MDHA in writing at least 14 calendar days before leaving their unit if they are going to be absent from the unit for more than 14 consecutive days. MDHA approval of any absence greater than 14 days is required. An absence for up to three months may be allowed with Director's approval. Approval depends on the evaluation of individual circumstances. In most cases, where the family will be absent for more than 30 days, the assistance will be terminated to allow MDHA to afford another eligible, waiting list family's rental payments. If the entire family is absent from the assisted unit for more than 180 consecutive days, the unit is considered vacant and the rental assistance must be terminated.

In order to determine if the family is absent from the unit, MDHA or the landlord may:

- Write letters to the family at the unit;
- Telephone the family at the unit;
- Interview neighbors;
- Verify whether the utilities are in service; or

- Check with the Post Office;
- Other activities on a case by case basis

Note: A person with a disability may request a time extension as an accommodation, provided the extension does not go beyond the HUD-allowed 180 consecutive calendar day limit.

3. Absence in excess of 14 days and less than 90 days

The family must provide written notice to the owner and MDHA that the unit will be temporarily vacant. The notice must include the beginning and ending dates of the vacancy. The temporary vacancy notice must be placed in the tenant file to confirm family compliance with policy. MDHA approval is required for the family to temporarily vacate the unit for more than 14 days.

4. Reporting Absences to MDHA 24 CFR 982.551(h)(3)

Families must report long term absences (when the absence will exceed 14 consecutive days) from the unit in writing. Participants must also give MDHA written notice when a family member leaves the household. This must be done within 14 calendar days of the change and certify whether the member is temporarily absent or permanently absent. The family must supply any information or certification requested by MDHA related to the absence from the unit. 24 CFR 982.312(d)(1). If the head of household has to leave the assisted unit for more than 14 consecutive days, the unit will not be considered to be their sole place of residence, and their assistance will be terminated. The Director may grant an exception to this policy if the participant contacts MDHA before the absence exceeds 14 days with reasonable cause to be absent from the assisted unit (See *Absence Due to Medical Reason* above).

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, the Metropolitan Development and Housing Agency will be bound by the court's determination of which family members continue to receive assistance in the program.

Because of the number of possible different circumstances in which a determination will have to be made, the Metropolitan Development and Housing Agency will make determinations on a case by case basis.

The Metropolitan Development and Housing Agency will issue a determination within 20 business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 16.3.

E. Adding a Family Member

In order to add a household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The Metropolitan Development and Housing Agency will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the Metropolitan Development and Housing Agency will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 14.2.2.

13.2.1 Special Reexaminations

If a family's income is too unstable to project for 12 months, including all families reporting that there is no earned or unearned income (zero income) in the household, the Metropolitan Development and Housing Agency will conduct a personal interview with all adult family members and require them to complete a Personal Declaration Form. Each family member 18 years or older will be required to sign the Zero Income Certification. The special re-examination interview will be conducted on a quarterly basis (January, April, July & October) until an income source is declared. In the event income is declared, the information will be verified to determine if an interim re-examination is necessary in accordance with the Metropolitan Development and Housing Agency interim re-examination policy.

13.2.2 Effective Date of Rent Changes Due to Interim or Special Reexaminations

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

14.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

The Housing Agency may at any time terminate program assistance for a participant, because of any of the actions or inaction by the household:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent forms.
- C. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the Metropolitan Development and Housing Agency determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.
- D. If any member of the family has ever been evicted from public housing.
- E. If the Housing Agency has ever terminated assistance under the Voucher Program for any member of the family.
- F. If any member of the family commits drug-related criminal activity, or violent criminal activity.
- G. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
- H. If the family currently owes rent or other amounts to the Housing Agency or to another Housing Agency in connection with Section 8 or public housing assistance under the 1937 Act.
- I. If the family has not reimbursed any Housing Agency for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- J. If the family breaches an agreement with the Housing Agency to pay amounts owed to a Housing Agency, or amounts paid to an owner by a Housing Agency. (The Housing Agency, at its discretion, may offer a family the opportunity to

- enter an agreement to pay amounts owed to a Housing Agency or amounts paid to an owner by a Housing Agency. The Housing Agency may prescribe the terms of the agreement.)
- K. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
 - L. If the family has engaged in or threatened abusive or violent behavior toward Housing Agency personnel.
 - M. If any household member is subject to a lifetime registration requirement under a State sex offender registration program.
 - N. If a household member's illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the Metropolitan Development and Housing Agency to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

14.1. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING VICTIMS AND PERPETRATORS

The Violence Against Women Reauthorization Act of 2005 and 2013 Violence Against Women Reauthorization Act, (VAWA) provides that “criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an affiliated individual of the tenant’s family is the victim or threatened victim of that domestic violence, dating violence, sexual assault or stalking.”

VAWA also gives MDHA the authority to “bifurcate” a lease in order to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.” *Bifurcate* means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

VAWA does not limit the authority of MDHA to terminate the assistance of any participant if MDHA “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.”

Definitions:

1. Domestic Violence

Includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction. The term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

2. Dating Violence means violence committed by a person:

(1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:

(i) The length of the relationship;

(ii) The type of relationship; and

(iii) The frequency of interaction between the persons involved in the relationship.

3. Stalking

Engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

(1) Fear for the person's individual safety or the safety of others; or

(2) Suffer substantial emotional distress.

4. Sexual Assault

Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

5. Affiliated Individual

(1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or

(2) Any individual, tenant, or lawful occupant living in the household of that individual.

6. Bifurcate

Means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Notification

The VAWA “**Notice of Occupancy Rights under the Violence Against Women Act**” - (form HUD -5380) will be provided as follows:

To all adult applicants for any covered program; and

To each adult participant of any covered program.

For Applicants:

- At the time their eligibility determination is made.

For Participants:

- With any MDHA notice of termination of assistance; and
- During their annual recertification process.

Victim Documentation

When an applicant/participant family is facing assistance denial or termination because of the actions of an applicant/participant, household member, guest, or other person under the applicant’s/participant’s control and an applicant/participant or affiliated individual of the applicant’s/participant’s family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, MDHA will require the individual to submit documentation affirming that claim. The documentation may in the form of any one of the following:

- HUD 5382 – Certification of Domestic Violence, Dating Violence or Stalking;

- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, “professional”) from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- At MDHA’s discretion, any other statement or evidence that MDHA has agreed to accept.

The certification or other documentation must be submitted to MDHA within 14 business days after MDHA issues their written request. The 14-day deadline may be extended at MDHA’s discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, MDHA may proceed with termination.

If MDHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant’s tenancy is not terminated, MDHA will bypass the standard process and proceed with the immediate termination of the family’s assistance.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives MDHA the explicit authority to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others...without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.” This authority supersedes any local, state, or other federal law to the contrary. However, if MDHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance [Pub.L. 109-271].

When the actions of a participant or other family member result in a MDHA decision to terminate the family’s assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, MDHA will

request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, MDHA will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, MDHA will proceed with termination of the family's assistance.

If MDHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the participant's tenancy is not terminated, MDHA will bypass the standard process and proceed with the immediate termination of the family's assistance.

Emergency Moves

A family participating on the Housing Choice Voucher Program may receive a voucher and move in violation of the lease under the portability procedures if the family meets above requirements, has complied with all other obligations of the voucher program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence and believes he or she would be harmed if he/she remained in the assisted dwelling unit.

MDHA Confidentiality Requirements

All information provided to MDHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

15.0 COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS

15.1 COMPLAINTS

The Metropolitan Development and Housing Agency will investigate and respond to complaints by participant families, owners, and the general public. The Metropolitan Development and Housing Agency may require that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

15.2 INFORMAL REVIEW FOR THE APPLICANT

A. Informal Review for the Applicant

The Metropolitan Development and Housing Agency will give an applicant for participation in the Housing Choice Voucher Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the Metropolitan Development and Housing Agency decision. The notice will state that the applicant may request an informal review within 10 business days of the denial and will describe how to obtain the informal review.

B. When an Informal Review is not required

The Metropolitan Development and Housing Agency will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the Metropolitan Development and Housing Agency subsidy standards.
2. A Metropolitan Development and Housing Agency determination not to approve an extension or suspension of a voucher term.
3. A Metropolitan Development and Housing Agency determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A Metropolitan Development and Housing Agency determination that a unit selected by the applicant is not in compliance with HQS.
5. A Metropolitan Development and Housing Agency determination that the unit is not in accordance with HQS because of family size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the Metropolitan Development and Housing Agency.

C. Informal Review Process

The Metropolitan Development and Housing Agency will give an applicant an opportunity for an informal review of the Metropolitan Development and Housing Agency decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by any person or persons designated by the Metropolitan Development and Housing Agency other than the person

who made or approved the decision under review or a subordinate of this person.

2. The applicant will be given an opportunity to present written or oral objections to the Metropolitan Development and Housing Agency decision.
3. The Metropolitan Development and Housing Agency will notify the applicant of the Metropolitan Development and Housing Agency decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

D. Considering Circumstances

In deciding whether to deny assistance because of action or inaction by members of the family, the Housing Agency may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Agency may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Agency may permit the other members of a participant family to continue receiving assistance.

If the Housing Agency seeks to deny assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Agency provides notice to the family of the Housing Agency determination to deny assistance. In determining whether to deny assistance for these reasons the Metropolitan Development and Housing Agency will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

E. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that the Metropolitan Development and Housing Agency provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant family within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant family will have up to 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the INS appeal decision to request the review.

15.3 INFORMAL HEARINGS FOR PARTICIPANTS

A. When a Hearing is required

1. The Metropolitan Development and Housing Agency will give a participant family an opportunity for an informal hearing to consider whether the following Metropolitan Development and Housing Agency decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and Metropolitan Development and Housing Agency policies:
 - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
 - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Metropolitan Development and Housing Agency utility allowance schedule.
 - c. A determination of the family unit size under the Metropolitan Development and Housing Agency subsidy standards.
 - d. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the Metropolitan Development and Housing Agency subsidy standards, or the Metropolitan Development and Housing Agency determination to deny the family's request for an exception from the standards.
 - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.

- f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the Metropolitan Development and Housing Agency policy and HUD rules.
2. In cases described in paragraphs 16.3(A)(1)(d), (e), and (f), of this Section, the Metropolitan Development and Housing Agency will give the opportunity for an informal hearing before the Metropolitan Development and Housing Agency terminates housing assistance payments for the family under an outstanding HAP contract.

B. When a Hearing is not required

The Metropolitan Development and Housing Agency will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by the Metropolitan Development and Housing Agency.
2. General policy issues or class grievances.
3. Establishment of the Metropolitan Development and Housing Agency schedule of utility allowances for families in the program.
4. A Metropolitan Development and Housing Agency determination not to approve an extension or suspension of a certificate or voucher term.
5. A Metropolitan Development and Housing Agency determination not to approve a unit or lease.
6. A Metropolitan Development and Housing Agency determination that an assisted unit is not in compliance with HQS. (However, the Metropolitan Development and Housing Agency will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
7. A Metropolitan Development and Housing Agency determination that the unit is not in accordance with HQS because of the family size.
8. A determination by the Metropolitan Development and Housing Agency to exercise or not exercise any right or remedy against the owner under a HAP contract.

C. Notice to the Family

1. In the cases described in paragraphs 16.3(A)(1)(a), (b), and (c), of this Section, the Metropolitan Development and Housing Agency will notify the family that the family may ask for an explanation of the basis of the Metropolitan Development and Housing Agency's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.
2. In the cases described in paragraphs 16.3(A)(1)(d), (e), and (f), of this Section, the Metropolitan Development and Housing Agency will give the family prompt written notice that the family may request a hearing within 10 business days of the notification. The notice will:
 - a. Contain a brief statement of the reasons for the decision; and
 - b. State this if the family does not agree with the decision, the family may request an informal hearing on the decision within 10 business days of the notification.

D. Hearing Procedures

The Metropolitan Development and Housing Agency and participants will adhere to the following procedures:

1. Discovery
 - a. The family will be given the opportunity to examine before the hearing any Metropolitan Development and Housing Agency documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If the Metropolitan Development and Housing Agency does not make the document(s) available for examination on request of the family, the Metropolitan Development and Housing Agency may not rely on the document at the hearing.
 - b. The Metropolitan Development and Housing Agency will be given the opportunity to examine, at the Metropolitan Development and Housing Agency's offices before the hearing, any family documents that are directly relevant to the hearing. The Metropolitan Development and Housing Agency will be allowed to copy any such document at the Metropolitan Development and Housing Agency's expense. If the family does not make the document(s) available for examination on request of the Metropolitan Development and Housing Agency, the family may not rely on the document at the hearing.

Note: The term **document** includes records and regulations.

2. Representation of the Family

At its own expense, a lawyer or other representative may represent the family.

3. Hearing Officer

a. The hearing will be conducted by any person or persons designated by the Metropolitan Development and Housing Agency, other than a person who made or approved the decision under review or a subordinate of this person.

b. The person who conducts the hearing will regulate the conduct of the hearing in accordance with the Metropolitan Development and Housing Agency hearing procedures.

4. Evidence

The Metropolitan Development and Housing Agency and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

5. Issuance of Decision

The person who conducts the hearing must issue a written decision within 14 calendar days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

6. Effect of the Decision

The Metropolitan Development and Housing Agency is not bound by a hearing decision:

a. Concerning a matter for which the Metropolitan Development and Housing Agency is not required to provide an opportunity for an informal hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the Metropolitan Development and Housing Agency hearing procedures.

b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.

- c. If the Metropolitan Development and Housing Agency determines that it is not bound by a hearing decision, the Metropolitan Development and Housing Agency will notify the family within 14 calendar days of the determination, and of the reasons for the determination.

E. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, the Housing Agency may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Agency may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The Housing Agency may permit the other members of a participant family to continue receiving assistance.

If the Housing Agency seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Agency provides notice to the family of the Housing Agency determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the Metropolitan Development and Housing Agency will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

F. Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The participant family may request that the Metropolitan Development and Housing Agency provide for an informal hearing after the family has notification

of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the participant family within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For the participant families, the Informal Hearing Process above will be utilized with the exception that the participant family will have up to 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the INS appeal decision.

16.0 TERMINATION OF THE LEASE AND CONTRACT

The term of the lease and the term of the HAP contract are the same. They begin on the same date and they end on the same date. The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by the Metropolitan Development and Housing Agency. Under some circumstances the contract automatically terminates.

A. Termination of the lease

1. By the family

The family may terminate the lease without cause upon proper notice to the owner and to the Metropolitan Development and Housing Agency after the first year of the lease. The length of the notice that is required is stated in the lease (generally 30 days).

2. By the owner.

a. The owner may terminate the lease during its term on the following grounds:

- i. Serious or repeated violations of the terms or conditions of the lease;
- ii. Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
- iii. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the

premises by other persons residing in the immediate vicinity of the premises;

- iv. Any drug-related criminal activity on or near the premises;
- v. Other good cause. Other good cause may include, but is not limited to:
 - (1) Failure by the family to accept the offer of a new lease;
 - (2) Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
 - (3) The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
 - (4) A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.

b. During the first year the owner may not terminate tenancy for other good cause unless the reason is because of something the household did or failed to do.

c. The owner may only evict the tenant by instituting court action. The owner must give the Metropolitan Development and Housing Agency a copy of any owner eviction notice to the tenant at the same time that the owner gives the notice to the tenant.

d. The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.

3. Termination of the Lease by mutual agreement

The family and the owner may at any time mutually agree to terminate the lease.

B. Termination of the Contract

1. Automatic termination of the Contract

a. If the Metropolitan Development and Housing Agency terminates assistance to the family, the contract terminates automatically.

- b. If the family moves out of the unit, the contract terminates automatically.
- c. The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

2. Termination of the contract by the owner

The owner may only terminate tenancy in accordance with lease and State and local law.

3. Termination of the HAP contract by the Metropolitan Development and Housing Agency

The Housing Agency may terminate the HAP contract because:

- a. The Housing Agency has terminated assistance to the family.
- b. The unit does not meet HQS space standards because of an increase in family size or change in family composition.
- c. The unit is larger than appropriate for the family size or composition under the subsidy standards.
- d. When the family breaks up and the Metropolitan Development and Housing Agency determines that the family members who move from the unit will continue to receive the assistance.
- e. The Metropolitan Development and Housing Agency determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program. In determining which HAP Contracts to terminate, the Metropolitan Development and Housing Agency will identify them in the following order, excluding elderly and disabled families.
 1. Families that have been on the Housing Choice Voucher program for 10 years or more.
 2. Families that have been on full HAP assistance for 18 months or more.
 3. Families receiving HAP assistance in excess of \$5,400 annually

Note: Any “Special Purpose” voucher holders will be the last to be included and the first to be re-instated in the event terminations due to insufficient funding are necessary. After re-instatement of

any Special Purpose vouchers, other families will be re-instated in order based on date of termination.

- f. The owner has breached the contract in any of the following ways:
 - i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
 - ii. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937.
 - iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
 - iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
 - v. If the owner has engaged in drug trafficking.

4. Final HAP payment to owner

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, the Housing Agency will continue to make payments until the owner obtains a judgment or the family moves out.

17.0 OWNER OR FAMILY DEBTS TO MDHA

17.1 OVERVIEW OF MDHA POLICY

When an action or inaction of an owner or participating family results in the overpayment of housing assistance, MDHA holds the owner or family liable to return any overpayments to MDHA.

MDHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or family refuses to repay monies owed to MDHA, MDHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agency
- Small claims court
- Civil law suit
- State income tax set-off program
- Withholding assistance due an owner under another HAP contract

17.2. REPAYMENT POLICY

Owner Debts to MDHA

MDHA Policy

Any amount due to MDHA by an owner must be repaid by the owner within 60 days of MDHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, MDHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments MDHA will offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, MDHA will send the owner written notification banning the owner from future participation in the program and pursue other modes of collection.

Family Debts to MDHA

MDHA Policy

Any amount due to MDHA by a participating family must be repaid by the family. If the family is unable to repay the debt within 60 days, MDHA will offer to enter into a repayment agreement in accordance with the policies below. Any amount exceeding \$8000.00 will be referred to the HUD Office of Inspector General for investigation and no repayment agreement will be entered into. If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, MDHA will terminate the assistance upon written notification to the family and pursue other modes of collection.

Repayment Agreement

The term *repayment agreement* refers to a formal document signed by a family or owner and provided to MDHA in which a family or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines

Down Payment Requirement

MDHA Policy

Prior to the execution of a repayment agreement, the owner or family must pay 10 percent of the balance owed to MDHA.

Payment Thresholds

MDHA Policy

Amounts between \$3,000 and \$7,999 (the Federal or State threshold for criminal prosecution) must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

Execution of the Agreement

MDHA Policy

The head of household and spouse/co-head (if applicable) must sign the repayment agreement on behalf of the family.

Due Dates

MDHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Non-Payment

MDHA Policy

If a payment is not received by the end of the business day on the date due, and prior written approval for the missed payment has not been given by MDHA, MDHA will send the owner or family a delinquency notice giving them 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the repayment agreement.

If an owner or family receives 3 delinquency notices for unexcused late payments in a 12 month period, the it will be considered a breach in the repayment agreement.

No Offer of Repayment Agreement

MDHA Policy

MDHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family or owner, or the amounts owed by the family or owner exceed the Federal or State threshold for criminal prosecution as set forth in the Payment Thresholds set forth above.

18.0 CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE FEE RESERVE

Occasionally, it is necessary for the Metropolitan Development and Housing Agency to spend money of its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The Metropolitan Development and Housing Agency Board of Commissioners authorizes the Executive Director to expend without prior Board approval up to **(\$5,000.00)** for authorized expenditures.

Any item(s) exceeding **(\$5,000.00)** will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

19.0 INTELLECTUAL PROPERTY RIGHTS

No program receipts may be used to indemnify contractors or subcontractors of the Metropolitan Development and Housing Agency against costs associated with any judgment of infringement of intellectual property rights.

20.0 METROPOLITAN DEVELOPMENT AND HOUSING AUTHORITY OWNED HOUSING

Units owned by the Metropolitan Development and Housing Agency and not receiving subsidy under any other program are eligible housing units for Housing Choice Voucher holders. In order to comply with federal regulation, the Metropolitan Development and Housing Agency will do the following:

- A. The Metropolitan Development and Housing Agency will make available through the briefing process both orally and in writing the availability of Metropolitan Development and Housing Agency owned units (notification will also include other properties owned/managed by the private sector available to Housing Choice Voucher holders).
- B. The Metropolitan Development and Housing Agency will obtain the services of an independent entity to perform the following Metropolitan Development and Housing Agency functions:
 - 1. Determine rent reasonableness for the unit. The independent entity will communicate the rent reasonableness determination to the family and the Metropolitan Development and Housing Agency.
 - 2. To assist the family in negotiating the rent.
 - 3. To inspect the unit for compliance with HQS.

- C. The Metropolitan Development and Housing Agency will gain HUD approval for the independent agency/agencies utilized to perform the above functions
- D. The Metropolitan Development and Housing Agency will compensate the independent agency/agencies from our ongoing administrative fee income.
- E. The Metropolitan Development and Housing Agency, or the independent agency/agencies will not charge the family any fee or charge for the services provided by the independent agency.

21.0 SPECIAL PROGRAMS

21.1 FAMILY SELF-SUFFICIENCY PROGRAM

The family self-sufficiency program is to be established among participating families, including the provision of supportive services to those families.

Purpose: To coordinate Housing Choice Voucher assistance with public and private resources.

To enable eligible families to achieve economic independence and self-sufficiency.

How It Works:

MDHA appoints a Program Coordinating Committee.

MDHA works with local service groups/agencies to determine availability of supportive services.

MDHA develops Action Plan.

MDHA works with local groups to be sure services are set up.

MDHA trains staff and develops forms.

Families are selected to participate.

Family enters into Contract of Participation.

Family pays rent according to income; MDHA computes and escrows FSS credit for family.

Family gets escrowed amount when they successfully complete FSS Program and leave assisted housing.

Family's assistance may be terminated if they drop out of the FSS Program.

A. Selection of Tenants

To ensure that participants are selected without regard to race, color, religion, sex, handicap, familial status or national origin, all current participants in the Section 8 certificate and voucher programs will be introduced to the FSS program by conducting an ongoing survey. Those returning a positive response will then be placed on a waiting list by date and time of receipt of said response. As FSS slots are available, the family at the top of the waiting list will be offered the FSS certificate or voucher provided:

- 1) The family's service needs are available.
- 2) The family does not owe MDHA money in connection with any housing program.
- 3) The family is not a previous participant in the FSS Program that failed to fulfill their obligations.

If a family is not offered an FSS Voucher because one or more service needs are not available, that family will remain on the waiting list so that if and when the service needs are available, they may be certified for the FSS Program at that time.

Families determined eligible will then be certified in accordance with 24 CFR 982, MDHA's current administrative plan, and MDHA's action plan for the FSS program.

Once families are determined to have met the above criteria, the head of household will be required to attend an orientation and Life Skills training administered through MDHA. This will be used as acceptable screening to determine the family's level of interest and motivation to participate in the FSS Program.

B. Termination of Contract of Participation.

The Contract of Participation will automatically be terminated if the family's Section 8 assistance is terminated in accordance with HUD guidelines. The Contract of Participation may be terminated before the expiration of the contract term and any extension thereof, by:

- 1) mutual consent of the parties;
- 2) the failure of the family to meet its obligations under the contract of participation, including the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the Metropolitan Development and Housing Agency;
- 3) the family's withdrawal from the FSS program;
- 4) such other act as is deemed inconsistent with the purpose of the FSS Program; or
- 5) by operation of law.

The Agency will notify the family by letter of the reason(s) for the termination stating that the family has the right within ten (10) days to request an informal hearing regarding the termination.

C. Escrow Account

The escrow accounts will be established in accordance with the FSS guidelines. At least annually, each participating family will receive a statement informing them of their current escrow balance

If it is determined that a FSS participant has underreported total family income, that family will be charged retro rent and may be terminated from the Housing Choice Voucher Program and/or FSS Program. No escrow that would have been due based on the underreported income will be made to the escrow account.

21.2 PROGRAMS FOR THE HOMELESS

MDHA administers a Single Room Occupancy (SRO) program and a Shelter Plus Care (SPC) program for the purpose of providing affordable housing for homeless individuals and families.

SRO PROGRAM

The SRO Program for homeless individuals is housing assistance funded under Title IV, Subtitle E, Section 441 of the Stewart B. McKinney Homeless Assistance Act. Funds under the McKinney Act shall be used only in connection with the Moderate Rehabilitation of Housing described in 8(n) of the U.S. Housing Act of 1937 for occupancy by homeless individuals.

For the purpose of this program a homeless individual is defined as:

An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals); or (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Selection Of Tenants For The SRO Homeless Program.

A central application waiting list will be maintained by the SRO owner. Application forms will be available at the Metropolitan Development and Housing Agency. Each applicant will be interviewed by the resident manager and by MDHA's Eligibility Specialist.

Specific HUD eligibility requirements, as stated, will be adhered to:

Waiting Lists. The SRO owner shall maintain a separate waiting list for all applicants (or each category of applicants) for this program. In establishing waiting lists, MDHA shall first review any of its existing waiting lists for Section 8 Moderate Rehabilitation and HCV programs and add the names of any homeless individuals on those lists to the lists for this program where it is able to identify the individuals on those lists as homeless individuals. (The names of the individuals on HCV list shall remain on the original list as well.

First Priority for Homeless Individuals. Homeless individuals on a waiting list shall have a first priority for occupancy of housing under this program.

Individual Participation - Initial Determination of Individual Eligibility. Section 3.2 shall apply to this program, except that MDHA shall only refer Homeless Individuals.

Owner Selection of Individuals

All vacant units under Contract shall be rented to homeless individuals referred by MDHA from its waiting lists. However, if MDHA is unable to refer a sufficient number of interesting applicants on the waiting lists to the Owner within 30 days of the Owner's notification to MDHA of a vacancy, the Owner may advertise or solicit applications from homeless persons, and refer such persons to MDHA to determine eligibility. Since the Owner is responsible for tenant selection, the Owner may refuse any individual, provided that the owner does not unlawfully discriminate. Should the Owner reject an individual, and should the individual believe that the owner's rejection was the result of unlawful discrimination, the individual may request the assistance of MDHA in resolving the issue and may also file a complaint with HUD's Office of Fair Housing and Equal Opportunity. If the individual requests the assistance of MDHA and if MDHA cannot resolve the complaint promptly, MDHA should advise the individual that he or she may file a complaint with HUD, and provide the individual with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

Temporary Relocation

As indicated in Part B, Section 10 of the Plan, the Agency wishes to keep temporary relocation to a minimum and has taken steps to discourage owners from undertaking it. During tenant briefings, the Agency will notify tenants of their rights in the event temporary relocation is necessary and will provide to each tenant a Notice of the Right to Remain in Occupancy which states the tenant's rights with regard to temporary relocation, in accordance with 24CFR 882.407 (b) and (c).

If any proposal which indicates a need for temporary relocation is selected by the Agency, the owner will be required to obtain from the tenant a written statement of willingness to temporarily move; the owner will be responsible for all temporary relocation costs. The Agency will provide assistance to affected tenants in the selection of

suitable temporary quarters and will monitor the adequacy of owners; reimbursement of tenant expenses, in accordance with 24 CFR 882.407 (c) (ii). In no case will temporary relocation be permitted for longer than six (6) months.

During monthly inspections of the unit(s), the MDHA staff will closely monitor rehabilitation progress and will review owner payments to the relocated tenant. At least one visit to the relocated tenant will be made during the course of the rehabilitation, in order to check on the tenant's satisfaction with the temporary quarters.

As well, the Agency will monitor the biweekly reports to assure that rehabilitation work is progressing according to schedule. After any three-month temporary relocation period, the Section 8 staff will notify the Rehabilitation specialist that the owner has a maximum of three more months to complete the rehabilitation.

Variations

Housing Quality Standards. Section 982.401 shall apply to this program, except as follows:

- (1) The Housing Quality Standards in 982.401(j), concerning lead-based paint, shall not apply to this program, since these SRO units will not house children.
- (2) In Addition to the performance requirements concerning SRO units, a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as State or local law may require shall be installed in each building. The term "major spaces: means hallways, large common areas, and other areas specified in local fire, building, or safety codes.
- (3) Section 882.109(q), concerning shared housing, shall not apply to this program.
- (4) Section 982.401(l), concerning site and neighborhood standards, shall not apply to this program, except that:
 - a) The complex be adequate in size, exposure and contour to accommodate the number and type of units proposed
 - b) The complex be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063, and HUD regulations issued pursuant thereto, and
 - c) The site shall be accessible to social, recreational, educational, commercial, and health facilities and other appropriate municipal facilities and services
- (5) A SRO unit may contain both food preparation and sanitary facilities.

SHELTER PLUS CARE PROGRAM

The Shelter Plus Care (SPC) Program is authorized by title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act to provide rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

Shelter Plus Care (SPC) is a program designed to provide housing assistance and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.

PROGRAM ADMINISTRATION

The MDHA SPC program is administered in accordance with the regular HCV program policies and procedures as stated in this plan, except for the following provisions that apply only to the SPC program. Assistance will only be provided for families living in Nashville, Davidson County, and the portability provisions of the Housing Choice Voucher program do not apply to the SPC program.

TYPES OF ASSISTANCE

MDHA may provide assistance under the SPC program in accordance with 24 CFR Part 582, using both tenant-based assistance and sponsor-based assistance.

Tenant-based rental assistance (TRA) provides grants for rental assistance which permit participants to choose housing of an appropriate size in which to reside. Participants retain the rental assistance if they move. The portability provisions under the housing choice voucher program do not apply to the Shelter Plus Care program.

Sponsor-based rental assistance (SRA) provides grants for rental assistance through contracts between MDHA and sponsor organizations. A sponsor may be a private, nonprofit organization or a community health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor.

ELIGIBILITY

Homelessness Verification

In order to qualify for the SPC Program, a local homeless service provider, shelter representative, transitional housing representative or other service provider must certify homelessness as defined below. **Those living with family or friends do not qualify.**

1. *Category 1 of HUD's definition of "homeless" (literally homeless) is defined as:*

An "individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation;
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution."

Verification of homelessness can be documented in a variety of ways. All HUD-funded emergency shelters can provide homeless verification for current residents who may be applying to the SPC Program and homeless street outreach teams may also be used to document and verify those applicants who currently reside "on the streets" or in some other place not meant for human habitation. Proof of homelessness documentation cannot be more than 30 days old at the time of intake.

HUD's order of priority for homeless documentation is:

1. **3rd party, whenever possible** (being aware not to jeopardize health/safety in cases of DV, for ex.). Within this category, HUD prefers the following documentation, in order:
 - a) Source (pre-existing docs like discharge paperwork, HMIS printout, eviction notices- all with dates)
 - b) Written (dated & signed referral letter on official letterhead or email from shelter, love eviction, observation by shopkeeper) with name of person(s), location where person has lived/slept & the dates of their most recent stay.
 - c) Oral (in person or over the phone- intake worker must record this in writing, certify that it is true & complete, sign & date)

If 3rd party documentation is not available, intake worker/case manager must document due diligence, noting reasons/obstacles preventing, sign & date.

2. **Intake observations** (case notes, intake forms) – signed & dated

3. **Self-certification** (generally in writing, or intake records, then get person to sign & date); DV intake workers can sign for person

NOTE: Those currently enrolled in a transitional housing program (funded through the Continuum of Care) are eligible for SPC, as long as these persons came to the transitional housing program directly from literal homelessness (i.e. living in emergency shelter or from “living on the streets”).

In order to receive assistance, homeless persons as defined above must be referred to MDHA through one of the local service providers who have committed to provide supportive services to the applicant using the MDHA prescribed SPC Referral Form. Upon receipt of the referral and selection by MDHA, the applicant will complete a full application on order for MDHA to determine eligibility. Eligibility will be determined in accordance with Section 3.0 of this plan.

Disability Verification

Shelter Plus Care program applicants must submit a completed disability verification form. A physician (or other designated medical professional) will complete the verification form, which will identify the applicant’s disability.

To be eligible for the SPC program, a person must also be disabled. In the case of a homeless household, at least one adult member or child must meet the program definition of being disabled. For the purposes of MDHA’s SPC Program, “disability” is defined as the following:

The definition of disabled [[24 CFR 582.5](#)] that is used as the basis for determining eligibility in the SPC program is the same as that used in the Section 811 (Supportive Housing for Persons with Disabilities) program. Persons with disabilities are defined as:

"Persons with disabilities" — a household composed of one or more persons who has a disability.

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that –
 - (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii) Is manifested before the person attains age 22;
 - (iii) Is likely to continue indefinitely;

(iv) Results in substantial functional limitations in three or more of the following areas of major life activity;

- (A) Self-care
- (B) Receptive and expressive language;
- (C) Learning;
- (D) Mobility;
- (E) Self-direction;
- (F) Capacity for independent living; and
- (G) Economic self-sufficiency; and

(v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Disability Documentation Standards

The following medical professionals are ELIGIBLE to diagnose disabilities:

- Physician;
- Physician Assistant;
- Psychiatrist;
- Clinical Psychologist;
- Psychiatric/Mental Health Nurse Practitioner;
- Clinical Social Worker/LCSW/LICSW; and/or
- Certified Substance Abuse Counselor (CDAC)
- Nurse Practitioner (ARPN)
- LMFT Professionals

The following professionals are INELIGIBLE to diagnose disabilities:

- School Psychologist/Doctorial or Master's Student;
- Counselor/Psychotherapist;
- Social Worker; and/or
- RN/LPN

TENANT SELECTION

A waiting list will be maintained for all referrals

Once a program slot is vacant, the Rental Assistance Department will notify the family and the referring agency case manager. Once a client has met general program entry guidelines, an initial intake appointment will be set. The assigned Case Manager will be encouraged to attend the intake appointment with the client. As funding becomes available, applicants will be selected in order based on the following preferences.

Preference

Chronically Homeless 1 point
All other eligible applicants

Upon selection, specific requirements regarding eligibility, as stated previously in this plan, will be followed, except for the following:

MDHA will not apply the HUD-mandated prohibitions on admissions regarding the manufacture or production of methamphetamine on the premises of federally assisted housing; and if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program

USE OF FUNDING

- (a) **Eligible Activity**. SPC grants may be used for providing rental assistance for housing occupied by participants in the program and administrative costs as provided for in paragraph (e) of this section, except that the housing may not be currently receiving Federal funding for rental assistance or operating costs under other HUD programs. Rental assistance may include security deposits on units in an amount up to one month's rent.
- (b) **Amount of Grant**. The amount of the grant is based on the number and size of units proposed by MDHA to be assisted over the grant period. The grant amount is calculated by multiplying the number of units proposed times the applicable Fair Market Rent (FMR) of each unit times the term of the grant.
- (c) **Payment of Grant**. (1) The grant amount will be reserved for rental assistance over the grant period. MDHA will make draws from the reserved amount to pay the actual costs of rental assistance for program participants based on estimates of Housing Assistance Payments. For TRA, on demonstration of need, up to 25 percent of the total rental assistance awarded may be spent in any one of the five years, or a higher percentage if approved by HUD, where MDHA provides evidence satisfactory to HUD that it is financially committed to providing the housing assistance described in the application for the full five-year period. (2) MDHA must serve at least as many participants as shown in the application for funding. Where the grant amount reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factors as contract rents being lower than FMR's and participants being able to pay a portion of the rent, MDHA may use remaining funds for the costs of administering the housing assistance, as described in paragraph (e) of this section, for damage to property, as described in paragraph (f) of this section, for covering the costs of rent increases, or for serving a greater number of participants.
- (d) **Vacancy Payments**. If a participant vacates a unit before the expiration of the lease, assistance may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless the unit is occupied by another eligible person. No additional assistance will be paid until the unit is occupied

by another eligible person. As used in this paragraph, the term vacate does not include brief periods of inpatient care, not to exceed 90 days for each occurrence.

- (e) Administrative Costs. (1) Up to eight percent of the grant amount may be used to pay the costs of administering the housing assistance. (2) Eligible administrative activities include processing rental payments to landlords, examining participant income and family composition, providing housing information and assistance, inspecting units for compliance with housing quality standards, and receiving into the program new participants.
- (f) Damage Claims. If a participant vacates their unit owing the landlord for unpaid tenant damages, the landlord may claim from MDHA a maximum of one month's rent, in addition to the deposit, for reimbursement of unpaid damages. Before any claim is paid, MDHA must verify the damages by conducting an inspection within 10 days of the date the participant vacates the unit.

RENTAL AGREEMENTS

Participants in the Shelter Plus Care program must execute an initial lease agreement for a term of at least one month. Most lease agreements will be for one year, but due to the characteristics of the SPC program participants, a shorter term agreement is permissible.

DETERMINING AMOUNT OF ASSISTANCE

The amount of assistance paid by MDHA is determined based on 100% of the HUD-published Fair Market Rent for the lower of, the eligible bedroom size of the family's voucher, or the bedroom size of the unit rented, minus the higher of 10% of the family's monthly gross income, 30% of the family's monthly adjusted income, welfare rent or minimum TTP established by MDHA.

TERMINATION OF ASSISTANCE

Section 15.0 of this plan, Termination of Assistance will apply to Shelter Plus Care Participants. However, due to the special needs of the target population, MDHA will exercise judgment in making any determination to terminate assistance, taking into consideration the seriousness of the program violation(s) and the effect termination will have on the participant and their family, if applicable. Any participant terminated will have an opportunity for an informal hearing in accordance with Section 16.0 of this plan.

A participating family who transitions out of services may be eligible for continued assistance. A participating family who refuses or fails to comply with a service plan may be subject to termination.

PROGRAM REPORTING AND RECORD KEEPING

MDHA's Shelter Plus Care (SPC) programs are designed to provide rental assistance plus supportive services to homeless, disabled clients. The overall program goal is to assist program participants in achieving housing stability, while increasing income and self-sufficiency, and stabilizing disability-related needs.

All program participants must agree to long-term case management services. Multiple non-profit service agencies partner with MDHA to provide case management services for program participants. Partnering service agencies include Nashville CARES, Centerstone, the Mental Health Cooperative & Park Center. This list may broaden, now that the HEARTH Act and related CoC Interim Rule has reduced the regulatory match.

All support service agencies that provide case management and related services to SPC program participants must agree to provide support services for an extended period of time (SPC is a program providing *permanent* housing for those with a documented disability). In addition, the supportive service agencies must agree to provide match data (showing supportive services costs) for applicable SPC program participants. The matching services must be equal to 25% or more of the amount of rental assistance (subsidy) provided to the served client.

A. Support Services Providers and/or Housing Sponsors Agreements

- When a supportive service provider expresses an interest in providing support services to the homeless clients served through the SPC Program, a letter of participation is requested. The letter indicates the agency's commitment to provide support services on an on-going basis. MDHA will request such letters from referring agencies at the time of application for renewal of funding from HUD each year.
- Once the letter is received from a support service provider, a *Memorandum of Understanding (MOU)* may be created to solidify the agreement between MDHA and the applicable supportive service agency.
- SPC program participants are expected to maintain compliance with their annual service/case plan. Repeated non-compliance with case management/supportive service may lead to termination from the SPC Program- but only in the most dire of circumstances.
- All program participants facing program termination have the right to request a grievance/appeal hearing.

B. Match Requirement.

- Match data for applicable supportive services is a requirement for the Shelter Plus Care program, and is required for submission of the Annual Progress Reports (APRs) for all SPC programs.
- Generally, partnering supportive service agencies will provide MDHA the required supportive service matching reports on an annual basis. With the reduction in match amount required, MDHA has determined that the value of primary health care and dental services documented by the Tennessee Bureau of TennCare is more than sufficient to meet the required match. As long as this is the case, referral agencies will not have to submit additional leveraged service values. However, this is subject to change.
- Items that may be counted toward the supportive service match requirement are as follows:
 - *Salaries paid to staff to provide support services to participants;
 - *The value of support services provide to participants by other organizations;
 - *Supportive services provided by other volunteers;
 - *Prorated value of any lease on a building used for supportive service to participants.

C. HMIS Data Entry

- All SPC program participants are required to be entered into the Homeless Management Information System (HMIS) database. Entry/Exits are required at program entry and program exit.
- The Rental Assistance Administrative Support Staff for SPC Programs will perform entry/exits in HMIS for all SPC program participants. Correct dates and household demographic data will be entered and maintained.
- MDHA's HMIS Coordinator will monitor service updates/entries as well as overall data quality for the SPC Program. It is ultimately the responsibility of both the HMIS Coordinator as well as Rental Assistance staff to make sure that all data quality is as high as possible for the SPC Program.

D. Annual Performance Report (APR)

- The Annual Progress Report tracks the program progress and accomplishments for each SPC project.

- MDHA’s Homeless Coordinator and HMIS Coordinator are responsible for completing each SPC program APR. All SPC program APRs are entered and authorized through HUD e-Snaps web portal. HMIS (the ART 625 report) is able to be used to generate 90% of the necessary APR program data. Necessary financial data will be captured via MDHA’s Finance Department staff.
- The Annual Progress Report for each SPC program must be completed and submitted to HUD no later than 90 days (three months) after the grant ending date. Failure to complete an APR by the due date could result in a delay in receiving additional grant funds and could potentially jeopardize future funding.

E. Record Keeping and Filing Requirements.

- All SPC program participant case files will be maintained electronically within MDHA secure systems
- All correspondence for the SPC program participant case files should be secured and completed on a daily basis. Program participant correspondence and file information should never be left in an unsecure location.
- Applicable match data and copies of all APRs will be stored in the Homeless Coordinator’s office.

EMERGENCY HOUSING VOUCHER PROGRAM

What are they?

New vouchers awarded to PHAs under the American Rescue Plan Act of 2021. The EHV's are provided to help assist homeless individuals and families.

Who is eligible?

In order to be eligible for an EHV, an individual or family must meet one of four eligibility categories: **1.)** Homeless, **2.)** At risk of homelessness, **3.)** Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, **4.)** Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having a high risk of housing instability.

How do individuals and families apply?

All EHV referrals will be submitted through the Metro Homeless Impact Division CoC Coordinated Entry System via the Homeless Management Information System (HMIS).

Separate Waiting List for EHV

When EHV are not immediately available, MDHA will maintain a separate waiting list for EHV to help expedite the leasing process, both at initial leasing and for any turnover vouchers that may be issued prior to the September 30, 2023 turnover voucher cut-off date. HUD has waived 982.206 requiring public notice when opening and closing the waiting list.

Screening for Admission

HUD has waived 982.552 and 982.553 with respect to mandatory and permissive prohibitions of admissions for EHV applicants. The EHV alternative requirements is as follows: **MDHA will only screen for the following mandatory provisions for the EHV voucher applicants: (1)** 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 to EHV applicants. **(2)** If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program to EHV applicants.

Other Alternative Operating Requirements:

Income Verification at admission: MDHA will consider self-certification of income as the highest form of income verification at admission. Applicants must submit an affidavit attesting to income, assets, expenses and other factors which would affect an income eligibility determination. Additionally, applicants may submit third-party documentation which represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of MDHA's request. **MDHA will validate family reported income within 90 days of the PIC-NG submission date and resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.**

Social Security Number and Eligible Citizenship Verification:

MDHA may admit families to the EHV program 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.** Additionally, MDHA 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, MDHA will obtain a higher level of verification within 90 days of admission or verify the information in EIV.** All EIV participants will be reminded of their obligation to provide true and complete information, and will be required to certify all reported information is true and complete.

Initial Search Term

All EHV Vouchers will be issued with an initial term of 120 days.

Initial Lease Term

The initial lease term may be less than 12 months regardless of whether the shorter term is prevailing market practice.

YARDI Property and Special Program Code

All EHV approved applicants are to be moved into the vo-ehv property, and the Special Programs Code EHV entered under the Special Programs Tab under FDI record.

Utility and Deposit Assistance

MDHA is making funds available to Emergency Housing Voucher (EHV) program participants for application fees, security deposits, utility deposits, including utility arrears up to \$500, and other eligible activities. Participants are only eligible for the assistance one time, and the assistance must be paid directly to a landlord or utility company.

Landlord Incentives

Under the incentive program, a landlord who executes a Housing Assistance Payments (HAP) Contract with MDHA on behalf of an EHV family will be eligible for a \$1000 lease signing bonus. In addition, a landlord may receive additional bonuses of: \$500 for up to 5 units if a new landlord to the MDHA Section 8 program, or a landlord who previously participated but has not received assistance payments from MDHA in the previous 12 months; and \$500 for any unit located in a low-poverty census tract. A low-poverty census tract is defined as a census tract where the poverty rate is at or below 20% based on the most recent Census Bureau data.

21.3 SECTION 8 HOMEOWNERSHIP PROGRAM

Section 8 Homeownership Option ADDENDUM I TO RENTAL ASSISTANCE ADMINISTRATIVE PLAN

The Metropolitan Development and Housing Agency (MDHA) hereby establishes a Section 8 tenant-based voucher homeownership option in Nashville, Tennessee, pursuant to the US Department of Housing and Urban Development's (HUD) proposed rule dated April 30, 1999 and pursuant to Section 555 of the Quality Housing and Work Responsibility Act of 1998, which authorizes HUD to carry out demonstration programs under section 8(y).

Participant Qualification

Any Housing Choice Voucher program participant may utilize the subsidy to purchase rather than rent a home, subject to the following requirements:

- 1) A family must meet the general requirements for continued participation in the MDHA Housing Choice Voucher tenant-based program.
- 2) Must be a current Housing Choice Voucher program participant for at least one year and must be in full compliance with their lease and program requirements and must terminate their current lease arrangement in compliance with the lease.
- 3) A head of household or spouse that has previously defaulted on a mortgage obtained through the homeownership option is barred from participation.
- 4) Homeownership program participants must be "first-time homeowners," where a family member must not have owned title to a principal residence in the last three years. Residents of limited equity cooperatives are eligible for the homeownership option.
- 5) Participants in the Section 8 homeownership option must enroll in a MDHA approved pre- and post-purchase homeownership counseling program and be deemed to be "mortgage ready" before a homeownership voucher will be issued. At a minimum, the counseling will cover the following:
 - Home maintenance;
 - Budgeting and money management;
 - Credit counseling;
 - How to negotiate the purchase price;
 - How to obtain homeownership financing;
 - How to find a home; and
 - Advantages of purchasing and how to locate a home in an area that does not have a high concentration of low-income families.

- 6) The head of household, spouse or other adult must be employed full-time and have been continuously so employed during the year before commencement of homeownership assistance. Families in which the head of household or spouse are disabled or elderly are exempted from this requirement. Families with a disabled household member may request an exemption as a reasonable accommodation.
- 7) The family's income must be equal to or exceed two times the payment standard for the family's unit size. Public assistance income may not be used for meeting this requirement, except for households in which the head or spouse is elderly or disabled and households that include a disabled person other than head or spouse. (Public Assistance includes federal housing assistance or the housing component of a welfare grant; TANF assistance; SSI that is subject to an income eligibility test; food stamps; general assistance or other assistance provided under a Federal, state or local program that provides assistance available to meet family living or housing expenses.)
- 8) The program will give priority to participants in MDHA's Family Self-Sufficiency Program or other welfare-to-work programs. Other qualified Housing Choice Voucher participants may be considered as the capacity of the program permits.
- 9) At a minimum, the participant will be required to provide one percent of the home purchase price as a down payment.

Time Frame for Utilization

A homeownership program applicant will have a maximum of 180 days to find a home and enter into a 'Contract for Sale'.

If an applicant is unable to enter into a 'Contract for Sale' before the end of the 180 day deadline, the applicant will be allowed to continue to utilize the voucher in a rental situation.

Any extension beyond 180 days will be at the sole discretion of MDHA's Director of Rental Assistance.

Portability

Families that are determined eligible for homeownership assistance may exercise the homeownership option outside of MDHA's jurisdiction if the receiving public housing authority is administering a Section 8 homeownership program and is accepting new families into its Section 8 homeownership program.

Permitted Ownership Arrangements

The homeownership option may be utilized in two types of housing:

- 1) A unit owned by the family, where one or more family members hold title to the home. Homes previously occupied under a lease-purchase agreement are eligible.

- 2) A cooperative unit, where one or more family members hold membership shares in the cooperative.

Contract for Sale and Inspection

Participants in the homeownership option program must complete a "Contract of Sale" with the owner of the property to be purchased.

The Contract of Sale must include the home's price and terms of sale, the purchaser's pre-purchase inspection requirements and notice that the sale is conditional on the purchaser's acceptance of the inspection report; and an agreement that the purchaser is not obligated to pay for necessary repairs.

The participant must obtain an independent professional home inspection of the unit's major systems at the participant's expense. The inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems.

MDHA or its designee will conduct a Housing Quality Standards (HQS) inspection and will review an independent professional inspection of the unit's major systems. MDHA or its designee retains the right to disqualify the unit for inclusion in the homeownership program based on either the HQS inspection or the professional inspection report.

If the home was constructed within 60 days of the Contract of Sale and has remained unoccupied during that time, the use and occupancy letter from the Metropolitan Codes Administration can be substituted for the pre-purchase inspection.

The participant must determine and document whether or not the unit is in an airport runway clear zone or an airfield clear zone. The participant must determine and document whether or not the unit is in a flood hazard area. Units in flood hazard areas must be insured for flood damage.

Financing

The household is responsible for obtaining financing; rate and terms of the first mortgage are subject to approval by MDHA or its designee. The first mortgage lender should be a federally-regulated financial institution. Any other lenders must be specifically approved by MDHA or its designee.

Length and Continuation of Assistance

Housing Choice Voucher assistance will only be provided for the months the family is in residence in the home. The family may receive homeownership assistance up to the maximum length of time allowed under federal regulations. Elderly and disabled families are exempt from this time limit.

A homeownership family may purchase another home with Housing Choice Voucher assistance provided there is no mortgage loan default and the family is in compliance with the “statement of homeowner obligations.”

Family Obligations

Before commencement of homeownership assistance, the family must execute a “statement of homeowner obligations” in the form prescribed by MDHA or its designee.

To continue to receive homeownership assistance, a family must comply with the following family obligations:

- 1) The family must comply with the terms of any mortgage securing debt incurred to purchase the home, and any refinancing of such debt.
- 2) So long as the family is receiving homeownership assistance, the family may not sell, convey or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home subject to the approval of MDHA or its designee. If the family chooses to sell the home, with the approval of MDHA or its designee, the family may purchase another home while continuing to receive homeownership assistance toward the purchase of a new home.
- 3) So long as the family is receiving homeownership assistance, the family may not place any additional lien or other encumbrance without prior written consent from MDHA and the second mortgage lender.
- 4) So long as the family is receiving homeownership assistance, the family must supply required information regarding income and family composition in order to calculate correctly total tenant payment and homeownership assistance.
- 5) So long as the family is receiving homeownership assistance, the family must provide information on any mortgage or other debt incurred to purchase the home, and any refinancing of such debt, and any sale or other transfer of any interest in the home.
- 6) So long as the family is receiving homeownership assistance, the family must notify MDHA or its designee if the family defaults on a mortgage securing any debt incurred to purchase the home.
- 7) So long as the family is receiving homeownership assistance, the family must notify MDHA or its designee before the family moves out of the home.
- 8) The family must, at annual recertification, document that he or she is current on mortgage, insurance and utility payments, and must provide access to the home for purpose of inspection at reasonable times.

Determining Family Unit Size

The family unit size will be determined as stated in Section 6.0 of the Administrative Plan, except that children of the same sex may be allowed to have a separate bedroom. The Director of Rental Assistance may approve a higher bedroom size for a family consisting of two children of the same sex.

Assistance Payment

The family's Section 8 monthly housing assistance payment will be the lower of (1) the Section 8 voucher payment standard minus the Total Tenant Payment or (2) the monthly homeowner expenses minus the Total Tenant Payment.

Homeownership expenses include principal and interest on mortgage debt, refinancing charges of mortgage debt, taxes and other public assessments, insurance, maintenance and major repair expenses, and the MDHA utility allowance schedule. The MDHA allowance for maintenance expenses, major repairs and replacements will be based on recommended allowances provided by its designees.

Housing assistance payments will be made either directly to the second mortgage lender (if 2 mortgage model) or the family.

The assistance payment will be adjusted to reflect changes in the fair market rent or payment standard accordingly.

If a family's income increases to a point that they do not receive a housing assistance payment, eligibility for such payments will continue for 180 calendar days. At the end of a continuous period of 180 days without any assistance payments, eligibility for Housing Choice Voucher assistance will automatically terminate

Lease-to-Purchase

Lease-to-purchase agreements are considered rental property and subject to the normal tenant-based Section 8 rental rules. The family will be subject to the homeownership requirements at the time the family is ready to exercise the homeownership option under the lease-to-purchase agreement.

Defaults

If a participant in the Homeownership Option defaults on his or her home mortgage loan, the participant will not be able to use his or her Homeownership Voucher for rental housing but may reapply for the Housing Choice Voucher waiting list.

21.4 COMMUNITY CHOICE DEMONSTRATION PROGRAM

On April 30th, 2021, the U.S. Department of Housing & Urban Development announced that MDHA was one of nine public housing agencies (PHAs) across the country selected as a lead agency for HUD's first Mobility Demonstration Voucher grant program. MDHA will receive \$4,984,654 over 6 years which is primarily for services to assist families with children using housing choice vouchers to overcome barriers often encountered in their housing search. For families participating in the demonstration, the delivery of the rental assistance is generally administered in the same manner as for non-demonstration HCV families, except that MDHA must provide for expedited lease-up and expedited inspections for families participating in the demonstration who are assigned to the treatment group.

Expedited Lease-Up – In order for a family to lease-up with a voucher, MDHA must approve a request for tenancy approval (RFTA). To speed this process, the mobility services staff must answer questions and help the property owner and family fill out the RFTA. The mobility services staff must also assist with turning in the paperwork and making sure MDHA Rental Assistance staff processes the RFTA promptly. The mobility services will be provided by MDHA staff housed under the MDHA Envision Center. They will be trained on the RFTA process and the RFTA will be submitted directly to the Special Project Manager in the Rental Assistance department for expedited processing within 1-2 business days. Expedited lease up is only for families in the treatment group.

Expedited Inspections: The mobility services staff must coordinate to schedule and conduct an inspection in a timely manner after MDHA receives the RFTA packet. The Special Project Manager in the Rental Assistance department will coordinate the inspection within 1-2 business days of the date the RFTA is approved. MDHA may certify the Envision Center mobility services staff to become a Housing Quality Standards inspector to further streamline the inspection process. Inspections and HAP Contract execution be given highest priority. Expedited inspections are only for families in the treatment group.

22.0 PROJECT BASED VOUCHER PROGRAM

Project-based vouchers (PBV) would be a component of MDHA's housing choice voucher program. MDHA can attach up to 20 percent of its authorized units to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development. MDHA may project-base an additional 10 percent of authorized units above the 20 percent limit provided the additional units: (1) Are specifically made available to house individuals and families that meet the definition of homelessness under section 103 of the McKinney-Veto Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3; (2) Are specifically made to house families that are comprised of or include a veteran; (3) Provide supportive housing to persons with disabilities or to elderly persons; or (4) Are located in a

census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey 5-Year Estimates. HUD may also provide separate funding for project-based assistance. Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, MDHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program will be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances. The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of MDHA to ensure the owner complies with these requirements.

EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

MDHA will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, MDHA will comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

SOLICITING PROPOSALS [24 CFR 983.51]

Should MDHA consider project-based vouchers, MDHA would either:

- A. Issue an RFP based on selection criteria to be determined when the Agency felt there was a need for a certain type of project-based housing. The RFP will be published through public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice will specify the submission deadline. Detailed application and selection information will be provided at the request of interested parties;

Request for Proposals for Rehabilitated and Newly Constructed Units

MDHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals.

The Tennessean

In addition, MDHA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

MDHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units MDHA estimates that it will be able to assist under the funding to be made available. Proposals will be due in the MDHA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to MDHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

MDHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

Extent to which the project furthers MDHA's goal of de-concentrating poverty and expanding housing and economic opportunities;

If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property;
and

Projects with less than 25 percent of the units assisted will be rated higher than projects with 25 percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, MDHA will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

Requests for Proposals for Existing Housing Units

MDHA will advertise its request for proposals (RFP) for existing housing in the following newspapers and trade journals.

The Tennessean

In addition, MDHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

MDHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units MDHA estimates that it will be able to assist under the funding to be made available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

Extent to which the project furthers MDHA's goal of de-concentrating poverty and expanding housing and economic opportunities;

If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

Or,

- B. Selection of a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals (*e.g.*, HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

MDHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

MDHA may periodically advertise that it is accepting proposals, in the following newspapers and trade journals:

The Tennessean

In addition to, or in place of advertising, MDHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. MDHA will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers MDHA's goal of de-concentrating poverty and expanding housing and economic opportunities; and

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community

SELECTION OF PROPOSALS [24 CFR 983.51]

Before selecting a PBV proposal, MDHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing (§§ [983.53](#) and [983.54](#)), complies with the cap on the number of PBV units per building (§ [983.56](#)), and meets the site selection standards (§ [983.57](#)). Further detailed selection criteria will be determined upon an issuance of an RFP.

MDHA-OWNED UNITS [24 CFR 983.51(E) AND 983.59]

MDHA-owned units may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the MDHA-owned units were appropriately selected based on the selection procedures specified in the MDHA administrative plan. Under no circumstances will PBV assistance be used with a public housing unit. The initial contract rent must be approved by an independent entity based on an appraisal by a licensed, state-certified appraiser. In addition, housing quality standards inspections must be conducted by an independent entity

Public Review of MDHA Selection Decision Documentation

MDHA will make documentation available for public inspection regarding the basis for the selection of a PBV proposal.

Within 10 business days of MDHA making the selection, MDHA will notify the selected owner in writing of the owner's selection for the PBV program. MDHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, MDHA will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals MDHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. MDHA will also post the notice of owner selection on its electronic web site.

MDHA will make available to any interested party its rating and ranking sheets and documents that identify MDHA's basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. MDHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

MDHA will make these documents available for review at MDHA offices during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.

OTHER PROVISIONS

Eligible Housing [24 CFR 983.52]

MDHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of MDHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing. MDHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. MDHA's choice of housing type will be reflected in its solicitation for proposals

Ineligible Housing [24 CFR 983.53]

MDHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; cooperative housing; and transitional housing. In addition, MDHA may not attach or pay PBV assistance for a unit occupied by an owner and MDHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

High-rise Elevator Projects for Families with Children [24 CFR 983.53(b)]

MDHA may use high-rise elevator building for families with children if it makes a determination that there is no practical alternative and HUD approves MDHA's determination. MDHA may make this initial determination for its project-based voucher program, in whole or in part, and need not review each project on a case-by-case basis, and HUD may approve on the same basis.

MDHA will not use high-rise elevator projects for families with children.

MDHA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;

- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

Subsidy Layering Requirements [24 CFR 983.55]

MDHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

MDHA will submit the necessary documentation to HUD for a subsidy layering review, and will not enter into an Agreement to Enter into a HAP contract or a HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract will contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

Project Cap [24 CFR 983.56(a)]

In general, MDHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP (AHAP) or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to per Project Cap [24 CFR 983.56(b)]

Exceptions are allowed and PBV units are not counted against the 25 unit or 25 percent per project cap if:

- In a single-family building;
- Specifically made available for elderly or disabled families;
- Specifically made available for families receiving supportive services as defined by MDHA; or
- Projects that are in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey 5-Year Estimates.

MDHA will provide PBV assistance for excepted units, provided at least one family member is receiving at least one qualifying supportive service. Qualifying supportive services may include:

- Alcohol and/or Drug treatment and counseling;
- Mental Health treatment and counseling;
- Physical Health treatment and counseling;
- Transportation services;
- Financial literacy;
- Life skills training;
- Child care;
- Job training services, which may include employment assessment, computerized job training, resume building and mock interviews to help family member attain meaningful employment.

Monitoring of Supportive Services:

Upon execution of the initial lease for an excepted unit, the family must be eligible to participate in at least one qualifying service. They will be required to sign a certification that specifies which service(s) they agree to participate in. This certification will be maintained in their MDHA participant file. They may change the agreed upon service(s) at any time, but must continue to participate in at least one service at all times during their tenancy. Any change must be submitted to MDHA in the form of an amended service agreement certification. A family's failure to complete an agreed upon service(s) requirement without good cause will result in termination of their assistance. At least annually, MDHA will verify the family has participated in the agreed upon service(s), either through the landlord or their assigned VA counselor.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

Promoting Partially-Assisted Buildings [24 CFR 983.56(c)]

MDHA may establish local requirements designed to promote PBV assistance in partially assisted buildings. A *partially assisted building* is a building in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

MDHA may establish a per-building cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily building containing excepted units or in a single-family building.

MDHA will not impose any further cap on the number of PBV units assisted per building.

Site Selection Standards [24 CFR 983.57]

MDHA will not select a proposal for existing, newly constructed or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless it has determined that PBV assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the MDHA administrative plan.

In addition, prior to selecting a proposal, MDHA will determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is MDHA's goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities. In complying with this goal MDHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, MDHA will grant exceptions to the 20 percent standard where it determines that the PBV assistance will complement other local redevelopment activities designed to de-concentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Promise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

A census tract where the proposed units already exist, are rented to low-income families and the PBV assistance will ensure units remain affordable.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

MDHA will not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless MDHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

Environmental Review [24 CFR 983.58]

MDHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). MDHA will not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

MDHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and MDHA, the owner, and its contractors will not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

MDHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. MDHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

DWELLING UNITS

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

Housing Quality Standards [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, cooperative housing, manufactured home space rental, and the homeownership option do not

apply because these housing types are not assisted under the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. MDHA will ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

Inspecting Units

Pre-selection Inspection [24 CFR 983.103(a)]

MDHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, MDHA will inspect all the units before the proposal selection date, and determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, MDHA will not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

MDHA will inspect each contract unit before execution of the HAP contract, and will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, MDHA will inspect the unit, and will not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual Inspections [24 CFR 983.103(d)]

At least annually during the term of the HAP contract, MDHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, MDHA will re-inspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

MDHA will inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. MDHA will take into account complaints and any other information coming to its attention in scheduling inspections.

MDHA will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and will conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting MDHA supervisory quality control HQS inspections, MDHA may include a representative sample of both tenant-based and project-based units.

Inspecting PHA-owned Units [24 CFR 983.103(f)]

In the case of MDHA-owned units, the inspections must be performed by an independent agency designated by MDHA and approved by HUD. The independent entity must furnish a copy of each inspection report to MDHA and to the HUD field office where the project is located. MDHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the owner.

REHABILITATED AND NEWLY CONSTRUCTED UNITS [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, MDHA will enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and MDHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, MDHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

Content of the Agreement [24 CFR 983.152(c)]

At a minimum, the Agreement will describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;

- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by MDHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after MDHA notice of proposal selection to the selected owner. However, MDHA will not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, MDHA will not enter into the Agreement until the environmental review is completed and it has received environmental approval.

MDHA will enter into the Agreement with the owner within 10 business days of receiving both the environmental approval and notice that the subsidy layering requirements have been met, and before construction or rehabilitation work is started.

CONDUCT OF DEVELOPMENTAL WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. MDHA will monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

COMPLETION OF HOUSING

The Agreement will specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement will also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to MDHA in the form and manner required by MDHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At MDHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion. MDHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. MDHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, MDHA will inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. MDHA will also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, MDHA will not enter into the HAP contract.

If MDHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, MDHA will submit the HAP contract for execution by the owner and will then execute the HAP contract.

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

MDHA will enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

HAP Contract Requirements [24 CFR 983.203]

The HAP contract will specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the greater of 25 units or 25 percent per project cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

MDHA will not enter into a HAP contract until each contract unit has been inspected and has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract will be executed promptly after MDHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract will be executed after MDHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

For existing housing, the HAP contract will be executed within 10 business days of MDHA determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of MDHA determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

MDHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than twenty years. The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

Within one year before expiration of the HAP contract, MDHA may extend the term of the contract for an additional term of up to twenty years if MDHA determines an extension is

appropriate to continue providing affordable housing for low-income families. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. When determining whether or not to extend an expiring PBV contract, MDHA will consider several factors including, but not limited to:

The cost of extending the contract and the amount of available budget authority;

The condition of the contract units;

The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and

Whether the funding could be used more appropriately for tenant-based assistance.

Termination of the HAP Contract

Termination by MDHA [24 CFR 983.205(c)]

The HAP contract will provide that the term of MDHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by MDHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, MDHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to MDHA. In this case, families living in the contract units will be offered tenant-based assistance.

Remedies for HQS Violations [24 CFR 983.207(b)]

MDHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If MDHA determines that a contract does not comply with HQS, MDHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments,

abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

MDHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

Amendments to the HAP Contract

Substitution of Contract Units [24 CFR 983.206(a)]

At MDHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, MDHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.206(b)]

At MDHA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per project and on the overall size of MDHA's PBV program, a HAP contract may be amended add additional PBV units in the same project. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required. MDHA will consider adding contract units to the HAP contract when it determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families);

Voucher holders are having difficulty finding units that meet program requirements;

Units are for elderly or disabled and provide supportive services

HAP Contract Year, Anniversary and Expiration Dates [24 CFR 983.206(c) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

Owner Responsibilities Under the HAP Contract [24 CFR 983.209]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by MDHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

Additional HAP Contract Requirements

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with MDHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

MDHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements will be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements will be in addition to, not in place of, compliance with HQS. MDHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. MDHA will specify any special

design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of MDHA, the HAP contract may provide for vacancy payments to the owner for an MDHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by MDHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). MDHA will decide on a case-by-case basis if it will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

WAITING LIST MANAGEMENT AND SELECTION

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(A) AND (B)]

MDHA may select families for the PBV program from those who are participants in MDHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and MDHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to MDHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity. Note: for PBV VASH program, only income eligibility and lifetime sex offender registrant eligibility requirements are applicable.

MDHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3 of this Plan.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by MDHA is considered an “in-place family.” These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on MDHA’s waiting list. Once the family’s continued eligibility is determined (MDHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family will be given an absolute selection preference and MDHA will refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(C)]

MDHA will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance. Applications will be accepted online only, except when necessary as a reasonable accommodation. .

As of January 1, 2025

For any new PBV HAP Contract effective on or after January 1, 2025, the owner will be required to establish and maintain a waiting list for the PBV units covered under the PBV HAP Contract.

For any MDHA-managed PBV waiting list that is exhausted, it will not be re-established, and the owner will be required to establish and maintain a waiting list for that PBV development.

Before establishing the waiting list, the owner will be required to develop and submit a written tenant selection plan to MDHA for approval, which will be incorporated into the MDHA Administrative Plan.

The owner may manage a separate PBV waiting list for each PBV project or manage a single waiting list that covers multiple PBV projects owned by the owner.

The owner is required to follow all waiting lists administration program requirements, including the public notice requirements of 982.206.

SELECTION FROM THE WAITING LIST [24 CFR 983.251(C)]

Applicants who will occupy units with PBV assistance will be selected from the applicable MDHA waiting list or owner’s waiting list. MDHA may establish selection criteria or preferences for occupancy of particular PBV units. MDHA may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to MDHA’s tenant-based and project-based voucher programs during the MDHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, MDHA will first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d)]

MDHA will provide an absolute selection preference for eligible in-place families as described above.

Although MDHA is prohibited from granting preferences to persons with a specific disability, MDHA may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If MDHA has projects with more than the greater of 25 units or 25 percent of the units receiving project-based assistance because those projects include “excepted units” (units specifically made available for elderly or disabled families, or families receiving supportive services), MDHA must give preference to such families when referring families to these units [24 CFR 983.261(b)].

MDHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” mobility impaired persons for accessible units). MDHA will not offer any additional preferences for the PBV program or for particular PBV projects or units, except as noted below.

Preferences Applicable to Waiting List for Patriot Place

Only homeless Veterans referred by the VA will be eligible to be placed on the waiting list for a project-based unit at Patriot Place. Each referral from the VA must include the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) which determines vulnerability and ranks the level of housing needed. Applicants placed on the list will be selected in order based on the highest preference point total from the following preferences.

Preference Points

- | | |
|---|--|
| 1 | Meeting definition of chronically homeless |
| 1 | VI-SPDAT Score of 0-5 |
| 2 | VI-SPDAT Score of 6-10 |
| 3 | VI-SPDAT Score of 11-15 |
| 4 | VI-SPDAT Score of 16-20 |

Preferences Applicable to Waiting List for Park Center Projects

Persons participating in drug or alcohol rehab program through Park Center.

OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

MDHA will not take any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant’s place on the waiting list based on preference, date, and time of application, or other factors affecting selection under MDHA’s selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner’s units, such rejection may not affect the family’s position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, MDHA will give the family an oral briefing. The briefing will include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, MDHA will provide a briefing packet that explains how MDHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, MDHA will assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, MDHA will have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

MDHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166.

OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

LEASING [24 CFR 983.253(A)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by MDHA from MDHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on MDHA's subsidy standards.

FILLING VACANCIES [24 CFR 983.254(A)]

The owner must notify MDHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.

MDHA will make every reasonable effort to refer families to the owner within 30 days of receiving such notice from the owner.

REDUCTION IN HAP CONTRACT UNITS DUE TO VACANCIES [24 CFR 983.254(B)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, MDHA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. MDHA will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of MDHA's notice.

TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

MDHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy.

MDHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. MDHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

OCCUPANCY

Overview

After an applicant has been selected from the waiting list, determined eligible by MDHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

Lease [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a

HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

MDHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by MDHA (the names of family members and any MDHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, MDHA will provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give MDHA a copy of all changes.

The owner must notify MDHA sixty (60) days in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by MDHA and in accordance with the terms of the lease relating to its amendment. MDHA will re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c)]

If a family is living in a project-based unit that is excepted from the 25 percent per building cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by MDHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit amount the owner determines is appropriate, except that it should not be in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. MDHA has no liability or responsibility for payment of any amount owed by the family to the owner.

MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

MDHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of MDHA's determination. MDHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

When MDHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, MDHA will terminate the housing assistance payments at the expiration of this 30-day period.

MDHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.260]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to MDHA. If the family wishes to move with continued tenant-based assistance, the family must contact MDHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, MDHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, MDHA will give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261]

MDHA may not pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly or disabled families; or
- Specifically made available for families receiving supportive services as defined by MDHA.

At least one member must be receiving at least one qualifying supportive service. If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined as defined by MDHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a “qualifying family” in connection with the 25 unit/25 percent per building cap exception (e.g., the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit within sixty (60) days of notice by MDHA, and MDHA will cease paying housing assistance payments on behalf of the non-qualifying family at the end of the sixty (60) day period, or date vacated, whichever comes first.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements will be terminated by MDHA.

RENT TO OWNER

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is re-determined at the owner’s request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

Rent Limits [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by MDHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds a MDHA-determined amount (not to exceed 110 percent of the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Definitions

A qualified census tract is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, MDHA will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-

determining the rent to owner, MDHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, MDHA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, MDHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs

Upon written request by the owner, MDHA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. MDHA will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, MDHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if MDHA determines it is necessary due to MDHA budgetary constraints.

Redetermination of Rent [24 CFR 983.302]

MDHA must re-determine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from MDHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by MDHA. MDHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

An owner's request for a rent increase must be submitted to MDHA in writing 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

MDHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance

with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

Notice of Rent Change

The rent to owner is re-determined by written notice by MDHA to the owner specifying the amount of the re-determined rent. MDHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

MDHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

MDHA-owned Units [24 CFR 983.301(g)]

For MDHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. MDHA must use the rent to owner established by the independent entity.

REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by MDHA.

When Rent Reasonable Determinations are Required

MDHA must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- MDHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, MDHA will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by MDHA. The comparability analysis may be performed by MDHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

MDHA-owned Units

For MDHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for MDHA-owned units to MDHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, MDHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

Effect of Other Subsidy and Rent Control

In addition to the rent limits discussed above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance

Other Subsidy [24 CFR 983.304]

At its discretion, MDHA may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing. For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- A project receiving low-income housing tax credits;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PAYMENT TO OWNER

Housing Assistance Payments [24 CFR 983.351]

During the term of the HAP contract, MDHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and MDHA agree on a later date. MDHA will issue payments to the owner on or about the first working day of the month.

Except for discretionary vacancy payments, MDHA will not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by MDHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

Vacancy Payments [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if MDHA determines that the vacancy is the owner's fault. If MDHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, MDHA will notify the landlord of the amount of housing assistance payment that the owner must repay.

At the discretion of MDHA, the HAP contract may provide for vacancy payments to the owner. MDHA will only make vacancy payments if:

- The owner gives MDHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by MDHA to verify that the owner is entitled to the vacancy payment.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified MDHA of the vacancy in accordance with the policy in Selection of Tenants Section regarding filling vacancies. In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and MDHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by MDHA within 10 business days of the MDHA's request, no vacancy payments will be made.

The maximum vacancy payment will be no more than two full months of monthly rent to owner under the assisted lease after the month the family moves out minus any portion of rental payment received by the owner (including amounts available from the tenant's security deposit). Vacancy payments will only cover the portion of the time the unit remains vacant during the period defined.

Tenant Rent to Owner [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by MDHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the MDHA notice to the family and owner. The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by MDHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing

services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by MDHA. The owner must immediately return any excess payment to the tenant.

Tenant and MDHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by MDHA.

Likewise, MDHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. MDHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. MDHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, MDHA will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

MDHA will pay the utility supplier on behalf of the family. MDHA will notify the family of the amount paid to the utility supplier.

Other Fees and Charges [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

GLOSSARY

1937 Housing Act: The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.)

Absorption: In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. [24 CFR 982.4]

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based.

Administrative fee: Fee paid by HUD to the housing authority for the administration of the program.

Administrative Plan: The plan that describes housing authority policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

Annual Income: All amounts, monetary or not, that:

- 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. Are not specifically excluded from Annual Income.
- d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: see net family assets.

Asset Income: Income received from assets held by household members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

Certificate: A document issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing

authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

Certification: The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Chronically Homeless: HUD defines a chronically homeless person as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.” To be considered chronically homeless a person must have been on the streets or in an emergency shelter (i.e. not transitional housing) during these stays.

Citizen: A citizen or national of the United States.

Common space: In shared housing: Space available for use by the assisted family and other occupants of the unit.

Congregate housing: Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

Consent form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

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

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

Cooperative: Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

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

Decent, safe, and sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development.

Dependent: A member of the family (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.

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 family: A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person: See "person with disabilities."

Displaced family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), 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.

Displaced person: A person displaced by governmental action (such as urban renewal), 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.

Drug related criminal activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Elderly family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person: A person who is at least 62 years of age.

Evidence of citizenship or eligible status: The documents that must be submitted to evidence citizenship or eligible immigration status.

Exception rent: An amount that exceeds the published fair market rent.

Extremely low-income families: Those very low-income families whose income does not exceed the higher of 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, or the federal poverty level.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair market rent (FMR): The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

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

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
- (2) A group of persons residing together, and such group includes, but is not limited to:
 - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) The remaining member of a tenant family

Family members: include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

Family self-sufficiency program (FSS program): The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share: The portion of rent and utilities paid by the family.

Family unit size: The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

50058 Form: The HUD form that Housing Agencies are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

FMR/exception rent limit: The Section 8 Housing Choice Voucher fair market rent published by HUD, or any exception rent. For a tenancy in the Voucher Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

Full-time student: A person 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.

Gender identity: means actual or perceived gender-related characteristics.

Gross rent: The sum of the rent to the owner plus any utilities.

Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

Head of household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Hold Harmless - If there is a reduction in the applicable payment standard during the term of the HAP contract, MDHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

Household members: include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing authority, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing quality standards (HQS): The HUD minimum quality standards for housing assisted under the Housing Choice Voucher program.

Housing voucher: A document issued by a housing authority to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Housing voucher holder: A family that has a housing voucher that has not expired.

Imputed income: For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

Income category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Independent Student: A student who meets one or more of the following criteria:

- The individual is 24 years of age or older by December 31 of the award year;
- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older.
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- The individual is a veteran of the Armed Forces of the United States(as defined in subsection (c)(1) of HEA) or is currently serving on active duty on the Armed Forces for other than training purposes;
- The individual is a graduate or professional student; The individual is a married individual;
- The individual has legal dependents other than a spouse;
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42

U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-supporting, by -

(i) a local educational agency homeless liaison, designed pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

(ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

(iv) a financial aid administrator; or

- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Initial Housing Agency: In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the jurisdiction of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

Initial payment standard: The payment standard at the beginning of the HAP contract term.

Initial rent to owner: The rent to owner at the beginning of the initial lease term.

Interim (examination): A reexamination of a household's income, expenses, and household status conducted between the annual re-certifications when a change in a household's circumstances warrant such a reexamination.

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

Lease: A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the housing authority.

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

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

Low-income families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act)

Manufactured home: A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufacture home space: In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Medical expenses: 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.

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

Moderate rehabilitation: Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- a. upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
- b. repair or replace major building systems or components in danger of failure.

Monthly adjusted income: One twelfth of adjusted income.

Monthly income: One twelfth of annual income.

Mutual housing is included in the definition of "cooperative".

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family: A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets:

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

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

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

Notice Of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance, and the criteria for awarding the funding.

Occupancy standards: The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (participant family): A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

Payment standard: In a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

Person with disabilities: A person who:

- a. Has a disability as defined in Section 223 of the Social Security Act,

"Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or

ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- b. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
 - (1) is expected to be of long-continued and indefinite duration,
 - (2) substantially impedes his or her ability to live independently, and
 - (3) is of such a nature that such ability could be improved by more suitable housing conditions, or
- c. Has a developmental disability as defined in Section 102(7) of the of the Developmental Disabilities Assistance and Bill of Rights Act.

"Severe chronic disability that:

- (1) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (2) is manifested before the person attains age 22;
- (3) is likely to continue indefinitely;
- (4) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- (5) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

PHA-owned unit: A unit in a project that is in one of the following categories:

- (1) Owned by a PHA
- (2) Owned by an entity wholly controlled by the PHA

(3) Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner. A “controlling interest” is:

- (A) Holding 50 percent or more of the stock of any corporation;
- (B) Having the power to appoint 50 percent or more of the members of the board of directors of a non-stock corporation (such as a non-profit corporation);
- (C) Where 50 percent or more of the members of the board of directors of any corporation also serve as directors, officers or employees of the PHA;
- (D) Holding 50 percent or more of all managing member interests in an LLC;
- (E) Holding 50 percent or more of all general partner interests in a partnership; or
- (F) Equivalent levels of control in other organizational structures.

Portability: Renting a dwelling unit with Housing Choice Voucher tenant-based assistance outside the jurisdiction of the initial housing authority.

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

Private space: In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

Proration of assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Public Housing Agency: A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

Reasonable rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Agency: In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a certificate or voucher, and provides program assistance to the family.

Re-certification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Remaining member of a tenant family: A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

Rent to owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Set-up charges: In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

Sexual orientation: means homosexuality, heterosexuality, or bisexuality.

Shared housing: A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

Shelter Allowance: That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

Single person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Single room occupancy housing (SRO): A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

Special admission: Admission of an applicant that is not on the housing authority waiting list, or without considering the applicant's waiting list position.

Special housing types: Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Sponsor: A nonprofit organization which owns or leases dwelling units and has contracts with a recipient to make such units available to eligible homeless persons and receives payments under the Shelter Plus Care program SRA component.

State Wage Information Collection Agency (SWICA): The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Statement of family responsibility: An agreement in the form prescribed by HUD, between the housing authority and a Family to be assisted, stating the obligations and responsibilities of the family.

Student - all students enrolled either full time or part time at an institution of higher education.

Subsidy standards: Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension: Stopping the clock on the term of a family's certificate or voucher, for such period as determined by the housing authority, from the time when the family submits a request for housing authority approval to lease a unit, until the time when the housing authority approves or denies the request. Also referred to as tolling.

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

Tenant rent: The amount payable monthly by the family as rent to the owner minus any utility allowance.

Third-party (verification): Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

Tolling: see suspension.

Total tenant payment (TTP):

(1) Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act. which is the higher of :

30% of the family's monthly adjusted income;

10% of the family's monthly income;

Minimum rent; or

if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

Utility allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the

monthly cost 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 hook-up charge: In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility reimbursement: The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit.

Verification:

- a. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
- b. The three types of verification are:
 - (1) Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.)
 - (2) Documentation, such as a copy of a birth certificate or bank statement
 - (3) Family certification or declaration (only used when third-party or documentation verification is not available)

Very low-income families: Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families. *[1937 Act]*

Veteran: A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

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

Voucher (rental voucher): A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family and states the obligations of the family under the program.

Voucher holder: A family holding a voucher with unexpired search time.

Waiting list admission: An admission from the housing authority waiting list. *[24 CFR 982.4]*

Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. *[24 CFR 5.603(d)]*

Welfare rent: In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

ACRONYMS

AAF	Annual Adjustment Factor
ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CCD	Community Choice Demonstration (program)
CFR	Code of Federal Regulations
EHV	Emergency Housing Voucher
EIV	Enterprise Income Verification (HUD Online system)
FMR	Fair Market Rent
FSS	Family Self Sufficiency (program)
HA	Housing Agency
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HCV	Housing Choice Voucher
HMIS	Homeless Management Information System
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
MSA	Metropolitan Statistical Area
MTCS	Multi-family Tenant Characteristics System
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NED	Non-Elderly with a Disability
NFS	Net Family Share

NOFA Notice of Funding Availability

OMB (U.S.) Office of Management and Budget

PBRA Project-Based Rental Assistance

PBV Project-Based Voucher (program)

PIC Public and Indian Housing Information Center (HUD Online System)

PHA Public Housing Agency

QHWRA Quality Housing and Work Responsibility Act of 1998

RAB Resident Advisory Board

RAD Rental Assistance Demonstration

SAM System for Award Management

SAVE Systematic Alien Verification for Entitlements - Department of Homeland Security system to verify immigration status

SEMAP Section 8 Management Assessment Program

SPC Shelter Plus Care – Homeless program for families with disabilities – two forms of assistance:

SRO Single Room Occupancy

TTP Total Tenant Payment

UIV Upfront Income Verification

URP Utility Reimbursement Payment

USICH United States Interagency Council on Homelessness

VASH Veteran Affairs Supportive Housing

VAWA Violence Against Women Act

VMS Voucher Management System