

# **SECTION 8 ADMINISTRATIVE PLAN**



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## **Chapter 1**

### **STATEMENT OF POLICIES AND OBJECTIVES**

#### **INTRODUCTION**

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Voucher Program, are described in and implemented through this administrative plan, where those requirements are not superceded by the PMHA's Moving To Work Demonstration Agreement.

Administration of the Section 8 Program and the functions and responsibilities of the Portage Metropolitan Housing Authority (PMHA) staff shall be in compliance with the HA's Personnel Policy and the Department of Housing and Urban Development's (HUD) Section 8 regulations as well as all Federal, State and local Fair Housing laws and regulations.

#### **A. LOCAL OBJECTIVES**

The Section 8 Program is designed to achieve the following objectives:

1. To provide decent, safe, and sanitary housing for very low income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial deconcentration of very low income families of all races and ethnic backgrounds.
3. To provide an incentive to private property owners to rent to very low income families by offering timely assistance payments.

In addition, PMHA has the following goals for the program:

1. To assist the local economy by increasing the occupancy rate and the amount of money flowing to the community.
2. To encourage self-sufficiency of participant families.

#### **B. PURPOSE OF THE PLAN**

The purpose of the administrative plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and local objectives. The plan covers both admission and continued participation in the program.

The PMHA is responsible for complying with all changes in HUD regulations pertaining to the program. If such changes conflict with this plan, HUD regulations will have precedence, unless otherwise superceded by the terms of the Moving To Work Demonstration. The original plan

and any changes must be approved by the Board of Commissioners of PMHA and a copy provided to HUD.

**C. FAIR HOUSING POLICY** [24 CFR 982.54(D)(6)]

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

The PMHA shall not deny any family or individual the opportunity to apply for or receive assistance under the Section 8 programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, handicap or disability or sexual orientation.

To further its commitment to full compliance with applicable civil rights laws, the PMHA will provide Federal/State/local information to voucher holders regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session, and all applicable Fair Housing information and Discrimination Complaint Forms will be made a part of the voucher holder's briefing packet.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout PMHA's office in such a manner as to be easily readable from a wheelchair. The PMHA office, located at 2832 State Route. 59, Ravenna, Ohio, is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TTD telephone number.

**D. SERVICE POLICY/ACCOMMODATIONS**

This policy is applicable to all situations described in this administrative plan when a family initiates contact with PMHA, when PMHA initiates contact with a family including when a family applies, and when PMHA schedules or reschedules appointments of any kind. Further, it is the policy of PMHA to be service-directed in the administration of its housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within its jurisdiction.

PMHA policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability. Reasonable accommodation will be made for persons with a disability who requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability. All PMHA mailings will be made available in an accessible format upon request, as a reasonable accommodation.

## **Federal Americans with Disabilities Act of 1990**

1. With respect to an individual, the term "disability" means:
  - A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
  - A record of such impairment; or
  - Being regarded as having such an impairment
2. Those "regarded as having such an impairment" may include those with conditions such as obesity or cosmetic disfigurement, and individuals perceived to be at high risk of incurring a work-related injury.
3. Individuals with contagious diseases who do not pose a direct threat to others are covered by the Act. Persons with AIDS and persons who test positive for the HIV virus are considered to have a disability.
4. An individual who has an infectious or communicable disease that is transmitted to others through the handling of food, the risk of which cannot be eliminated by reasonable accommodation, may be refused an assignment or a continued assignment to a job involving food handling. The Secretary of Health and Human Services annually will publish a list of those diseases that are transmitted through food handling.
5. Rehabilitated alcohol and drug users are considered to be persons with disabilities for purposes of the Act. However, current alcohol and drug users can be held to the same qualification standards for job performance as other employees.

## **Verification of a Request for Accommodation**

All requests for accommodation or modification will be verified with a reliable, knowledgeable professional. The PMHA utilizes organizations, which provide assistance for hearings-and sight-impaired persons when needed. A list of accessible units will be provided.

## **E. TRANSLATIONS OF DOCUMENTS**

In determining whether it is feasible to translate documents into other languages, PMHA will consider the number of applicants and participants who do not speak English and speak the other language.

## **F. FAMILY OUTREACH**

When the need arises, PMHA will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis. When the PMHA waiting list is open, the housing authority will publicize the availability and nature of housing assistance for very low-income families in a newspaper of general circulation, minority media, and by other suitable means.

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

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

#### **G. OWNER OUTREACH**

The PMHA encourages owners of decent, safe and sanitary housing units to lease to Section 8 families. The PMHA maintains a list of interested landlords and units available for the Section 8 program and updates this list at least weekly. When listings from owners are received, they will be compiled by the PMHA staff by bedroom size. The housing authority will actively recruit property owners and when needed, request exception rents for accessible and low-poverty areas.

The staff of PMHA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings. Printed material is offered to acquaint owners and managers with the opportunities available under the program. PMHA has active participation in a community-based organization(s) comprised of private property and apartment owners and managers. PMHA periodically evaluates the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted.

#### **H. PRIVACY RIGHTS**

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

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential." The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by Housing Programs Manager.

In accordance with HUD requirements, PMHA will furnish prospective owners with the family's current address as shown in PMHA's records and, if known to the housing authority, the name and address of the landlord at the family's current and prior address. At the owner's request, the PMHA will furnish prospective owners with information about the family's rental history, or any history of drug trafficking. A statement of PMHA's policy on release of information to prospective landlords will be included in the briefing packet, which is provided to the family.

The PMHA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a location, which is only accessible by authorized staff. All files must be signed for when removed from the file storage area.

The staff person who signs as utilizing a file is responsible for its security. Files will never be left unattended or placed in common areas. PMHA staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

#### **I. EQUAL EMPLOYMENT OPPORTUNITY**

The PMHA practices affirmative action in hiring, promotion and conditions of employment. Position vacancies are advertised in The Reporter and the Kent-Ravenna Record Courier. PMHA's recruitment practices will apply aggressive outreach to community-based racial and ethnic groups so that the composition and culture of the staff reflects the composition and culture of the community, to the extent possible. All PMHA job postings will display the affirmative action/equal employment opportunity logo and slogan prominently.

#### **J. RULES AND REGULATIONS**

This administrative plan is set forth to define the PMHA's local policies for operation of the housing programs in the context of Federal laws and regulations. All issues related to Section 8 not addressed in this document are governed by such Federal regulations, HUD Memos, notices and guidelines, or other applicable law and agreements.

#### **K. JURISDICTION**

The jurisdiction of the PMHA is Portage County, Ohio, and neighboring counties to the extent practical for inspection purposes.

#### **L. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54(d)(22)]**

Funds from the Section 8 Administrative Fee Reserve will be used for purposes of furthering affordable housing, consistent with the PMHA's mission statement, and in compliance with

existing PMHA disbursement procedures. Reserve funds resulting from the PMHA's work as a Contract Administrator for Summit Gardens, will be applied to reserve needs for the Spaulding and Virginia properties, and the LHA account for other housing purposes.

## **M. MONITORING PROGRAM PERFORMANCE**

Reports will be maintained for:

- Monitoring funding availability, to ensure PMHA is at maximum lease up but not overleased
- Tracking outstanding vouchers for expiration or suspension
- Number and reason for moves and terminations of assistance
- Number of new vouchers issued
- Repayment of amounts owed the PMHA

### **SEMAP Compliance**

The PMHA operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the housing authority is using its resources in a manner that reflects its commitment to quality and service. PMHA policies and practices are consistent with the goals and objectives of HUD's SEMAP indicators.

## **N. RECORD RETENTION**

The housing authority will retain during the course of a Section 8 Lease and for three years after, the following documents:

- 1) A copy of the executed lease
- 2) The HAP contract
- 3) The application form of the family
- 4) Unit inspection reports
- 5) Lead-based paint inspection records

Homeownership records (offer to purchase, contracts, addendums, contingencies, earned money deposits, agency disclosures, lead based paint disclosures, mutual release, financial documents, underwriting documents, applications, proposals, rejections, etc.) will be retained while Section 8 homeownership assistance payments are being made and for five years after the homeownership assistance payments end.

The Portage Metropolitan Housing Authority will retain for three years the following:

- 1) Records that provide income, racial, ethnic, gender and disability status data on program applicants and participants.
- 2) Applications from each eligible and ineligible family with copy of notice if the applicant is not eligible.
- 3) HUD-required reports.
- 4) Accounts and other records supporting budget and financial statements.
- 5) Any records specified by HUD.

## **O. CODE OF CONDUCT**

### **Conflict of Interest (24 CFR 982.161)**

All Members, officers, and employees of the Portage Metropolitan Housing Authority are subject to Section 3735.29 of the Ohio Revised Code: "No member or employee of the PMHA shall have any interest, directly or indirectly, in any contract for property, materials, or services to be acquired by said Authority."

To avoid even the perception of impropriety, it shall be the policy of the Portage Metropolitan Housing Authority to exclude a spouse, or immediate family member, or member of the individual's household, from participating through competitive bidding, or otherwise, in contracting with the Portage Metropolitan Housing Authority for the provision of any property, materials, or services to be acquired by said authority. This provision shall also apply if the individual seeking to contract is self-employed or has any ownership whatsoever in the entity seeking to contract with the Housing Authority.

Furthermore, no employee, officer or agent of this Portage Metropolitan Housing Authority shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected is held by:

1. An employee, officer or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousins, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister);
3. His/her partner; or
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

### **Prohibition Against Solicitation Or Acceptance Of Gifts Or Gratuities**

No employee of the PMHA or any contractor, subcontractor or agent of the PMHA is to accept gifts, gratuities, personal services or favors from sales personnel or representatives of any company or firm doing business with, or expecting to do business with the PMHA.

### **Disciplinary Remedies For Violation Of The Code Of Conduct**

All PMHA employees are expected to maintain the highest possible ethical and moral standards and to perform within the laws of the State of Ohio, HUD, as well as with the

guidelines of agency policies governing employee conduct and other rules and regulations that may be set forth.

Violation of these policies, laws, rules and regulations is grounds for administrative and disciplinary remedies as set forth in the PMHA's Personnel Policy.

**P. UPFRONT INCOME VERIFICATION (UIV): ENTERPRISE INCOME VERIFICATION SYSTEM (EIV)**

Up-front income verification (UIV) refers to the use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PMHA.

The PMHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process: HUD's EIV system (when it is available to the PMHA).

The PMHA will restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

**Definition of Substantial Difference**

A "substantial difference" is when UIV income data differs from the participant-provided income data by at least \$200 per month.

In cases where the UIV income data is not substantially different than participant-provided income, the PMHA will use the UIV data as third-party written verification.

When there is a substantial difference between the information provided by the UIV source and the family, the PHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

**Use of HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and “exceeds threshold” reports. PMHA will use reports available in the EIV system to identify potential discrepancies in income reporting by participants during annual and interim reexamination processes.

### **Tenant Income Data (TID) Reports**

The PMHA will obtain TID reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process. TID reports will be compared to family-provided information as part of the annual reexamination process. TID reports may be used in the calculation of annual income, as described in Chapter 6. TID reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between TID reports and family-provided information will be resolved as described in Chapter 6 and in this chapter.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

TID reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### **Exceeds Threshold Reports (ETRs)**

The PMHA will generate and review ETRs on a monthly basis. The ETR threshold percentage will be adjusted as necessary based on the findings in the ETRs. In reviewing ETRs, the PMHA will begin with the largest discrepancies.

When the PMHA determines that a participant appearing on the ETR has not concealed or under-reported income, the participant’s name will be placed on a list of “false positive” reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from ETR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the PMHA will request third-party written verification of the income in question.

When the PMHA determines through ETR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### **EIV Identity Verification**

The PMHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The PMHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents.

When the PMHA determines that discrepancies exist due to PMHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

## **Q. NEW LANDLORD INCENTIVE PAYMENT**

In order to incentivize landlords to participate in the HCV program, PMHA will offer the following four incentives:

- 1. New Landlords Incentive** - PMHA will offer a one-time incentive HAP payment of \$1,000.00 to new landlords, upon the execution of a new HAP contract for an MTW tenant-based HCV participant. A “new landlord” would be defined as a landlord who has not rented to a tenant-based voucher participant within the past twelve (12) months. The landlord would not be eligible for the \$1,000.00 incentive HAP payment if the contract is executed for a transfer of units with the same landlord, or if the contract is executed due to a lease renewal or change. Additionally, properties owned or managed by PMHA or any other PHA would be ineligible for this incentive.
- 2. Existing Landlords Incentive-** PMHA will offer a one-time \$500.00 incentive HAP payment to existing landlords who execute a new HAP contract for an MTW tenant-based HCV participant. An “existing landlord” would be defined as a landlord who has rented to a tenant-based voucher participant at any time within the past twelve (12) months. The landlord would not be eligible for the \$500.00 incentive HAP payment if the contract is executed for a transfer of units with the same landlord, or if the contract is executed due to a lease renewal or change. Additionally, properties owned or managed by PMHA or any other PHA would be ineligible for this incentive HAP payment.
- 3. Rent Affordability Incentive-** PMHA will offer a one-time rent affordability payment when rent must be negotiated down in order for the unit to be affordable for the MTW tenant-based voucher participant. “Affordable” would be defined as an initial rent burden of no more than 50% of the household’s monthly income. The rent affordability payment would be equal to the amount the proposed monthly rent is

reduced by to make it affordable and allow the voucher holder to qualify, multiplied by 12.

4. **Limited Damage Claim Incentive-** PMHA will offer a limited damage claim not to exceed one month's contract rent to owner in cases where an MTW tenant-based voucher participant's tenancy ends and there is tenant-caused damage to the unit that exceeds the security deposit collected by the owner. The damage claim would be verified by a special inspection conducted by a PMHA HQS inspector. The special inspection will be required to be conducted within 30 calendar days of the MTW tenant-based HCV participant's move-out date.

## **R. PROTECTING TENANTS LIVING IN FORECLOSED RENTAL PROPERTIES**

PMHA received permission to implement an initiative to protect tenants who are living in foreclosed rental properties. This will provide tenant-based voucher assistance to those who are living in rental properties that have gone through foreclosure and are currently owned by The Portage County Land Reutilization Corporation, or "land bank". These tenants were the renters in the units when the foreclosures took place. The program size will not exceed 24 eligible participants in the eligible units.

The land bank will refer households to PMHA, PMHA will complete an eligibility determination for each household, in accordance with all of the standard requirements for eligibility determination.

The tenants who are eligible based upon PMHA's MTW HCV eligibility determination, including income eligibility and are therefore struggling to make rent payments to the land bank, will receive vouchers. The vouchers will follow all standard MTW HCV rules, including use of PMHA payment standards and FMRs. This activity follows all of PMHA's regular MMTW HCV eligibility criteria including income levels, and that all units must first pass the rent reasonableness analysis. PMHA does not anticipate that the rent has changed significantly since the foreclosure however, based on rent reasonableness analysis, the rent might have to be lowered. Additionally, PMHA will follow the same timing as with any other MTW HCV in regard to the timing of Housing Quality Standards (HQS) inspections; specifically, the HQS inspection will occur after the family determined HVC eligible, voucher is issued, and RFTA submitted, and prior to the lease signing and execution of the HAP contract.

All eligible participants must be referred to PMHA by the Portage County Land Bank and currently residing in a property owned by the Portage County Land Bank. If households are not income-eligible, they will not continue to process for a voucher. Participants must utilize their vouchers in the unit they currently reside in for at least a one-year period after admission to the voucher program.

## **S. OFFENDER RE-ENTRY INITIATIVE**

PMHA has been granted permission to implement the Offender Re-Entry Initiative, with eligible participants, MTW HCV eligibility determination, including income eligibility who were incarcerated, involved in drug court and/or court-ordered diversion programs, and/or released from in-patient treatment within the past 12 months, and are seeking affordable housing upon re-entry into the community.

The activity will provide an immediate impact for offenders coming out of prison and/or treatment facilities, who are in need of housing and supportive services, and who would otherwise be left homeless and without services needed for successful reintegration into the community.

All eligible participants must be referred to PMHA by its re-entry program partner, Portage County Adult Probation, and are either:

- Reuniting with a qualifying family member currently participating in PMHA's Section 8 program or
- Referred to PMHA for Section 8 MTW tenant-based voucher under the re-entry program, or
- An applicant on the PMHA Section 8 waiting list, who otherwise would be denied for criminal activity, but who is currently involved with Portage County Adult Probation, meets all eligibility requirements for the program when he/she is selected for processing (in the existing waiting list order), and is recommended for participation in the program by Portage County Adult Probation.

This initiative will operate primarily as a Section 8 tenant-based voucher program, to allow for maximum housing choice, where the majority of participants will receive a voucher to utilize at privately-owned market-rate units within Portage County.

Eligibility requirements for the program include:

- Participants must have been Portage County residents prior to incarceration, in-patient treatment, and/or involvement in drug court and/or a court-ordered diversion program.
- Participants either must be already engaged in, or sign consent to participate in, mandatory supportive services recommended and/or offered by PMHA's re-entry program partner, Portage County Adult Probation.
- Participants must be reuniting with spouse, parent, grandparent, sibling or adult child currently in PMHA's Section 8 program or must be referred for housing directly by Portage County Adult Probation, or must be on PMHA's Section 8 waiting list and recommended for participation by Portage County Adult Probation.
- Participants with the following convictions are not eligible: Any person who is in violation of HUD's mandatory criminal background exclusions, including tier 3 sex offenses and criminal drug activity resulting in eviction .

- Participants must be drug free.
- Participants must be in compliance with all requirements set forth in their probation, as specified by Portage County Adult Probation.

Participants will be required to consent to participation requirements of the Offender Re-Entry Initiative, including signing a Release of Information between PMHA and Portage County Adult Probation, which will allow PMHA to consult with its designated re-entry program partner. Heads of household will also be required to consent to participation and reunification with the participant family members, if applicable.

Participants who are not already participating in supportive services must consent to engage in mandatory supportive services as deemed appropriate by PMHA and Portage County Adult Probation. Such services may include, but are not limited to: ongoing case management, peer supporters, life skills development, mental health services, drug/alcohol rehabilitation services, and employment and job training services.

Participants must remain in compliance with all requirements set forth by Portage County Adult Probation office will advise PMHA of any noncompliance. If a participant is noncompliant with the terms of his/her probation, he/she may be terminated from this program and thereby have his/her voucher terminated as set forth by the guidelines of Chapter 15.

Participants must utilized their vouchers for housing within Portage County only. Portability is not permitted under this program. Should the Section 8 voucher waiting list be closed, Portage County Adult Probation can still make referrals for client participation in this program. The program size will not exceed 150 eligible participants. Once a participant has completed his/her probation, his/her voucher will be rolled into the traditional Section 8 MTW voucher program.

## **Chapter 2**

### **ELIGIBILITY FOR ADMISSION**

#### **INTRODUCTION**

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

#### **Eligibility Factors**

To be eligible for participation, an applicant must be of legal age (18 years or older) and meet HUD's criteria, as well as any permissible additional criteria established by PMHA.

The HUD eligibility criteria are:

- An applicant must be a "family"
- An applicant must be within the appropriate income limits
- An applicant must furnish Social Security Numbers
- An applicant must furnish evidence of citizenship/eligible immigrant status

At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before PMHA may provide any housing assistance.

For PMHA's additional criteria for eligibility, see Section E, "Other Criteria for Admission."

The family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors. Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the waiting list for issuance of a voucher.

The qualifying factors of eligibility will be verified when PMHA has begun the selection process and completed prior to the final eligibility determination.

#### **A. FAMILY COMPOSITION** [24 CFR 982.54(d)(4)(i)]

The applicant must qualify as a family. A family may be a single person or a group of persons.

Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law.

A group of persons may be:

Two or more persons who intend to live together or who have a history as a family unit.

- Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family.
- A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

### **Restrictions On Assistance To Students Enrolled In An Institution Of Higher Education**

No assistance shall be provided, under Section 8 of the 1937 Housing Act to any individual who:

- (a) Is enrolled as a student at an institution of higher education, as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);
- (b) Is under 24 years of age;
- (c) Is not a veteran of the United States Military;
- (d) Is unmarried;
- (e) Does not have a dependent child; and
- (f) Is not otherwise individually eligible, or has parents who individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the 1937 Housing Act.

### **Head of Household**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. A family may designate an elderly or disabled family member as head of household solely to qualify the family as an elderly household, provided that the person is at least partially responsible for paying the rent.

## **Co-Head**

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

## **Spouse of Head**

Spouse means the husband or wife of the head. For proper application of the Noncitizen's Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

## **Live-In Attendants**

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

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

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

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

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

A live-in aide may only reside in the unit with the approval of PMHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (age 50-61) or disabled.

Verification must include the hours the care will be provided. The PMHA has the right to disapprove a request for a live-in aide based on the "Other Criteria for Eligibility" described in this chapter (Section E).

### **Split Households Prior to Voucher Issuance**

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

1. Which family member applied as head of household.
2. Which family unit retains the children or any disabled or elderly members.
3. Restrictions that were in place at the time the family applied.
4. Role of domestic violence in the split.
5. Recommendations of social service agencies or qualified professionals such as

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by the PMHA.

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

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

### **Joint Custody of Children**

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

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

### **B. INCOME LIMITATIONS** [24 CFR 813.106, 982.201 (b) (d), 982.54(d)(4)(ii)]

In order to be eligible for assistance, an applicant must be either:

1. A very low-income family; or
2. A low-income family in any of the following categories:
  - a) a low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 60 days of voucher

issuance. Programs include public housing, all Section 8 programs, all Section 23 programs.

- b) a low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
- c) a low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project
- d) a low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.
- e) a low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165
- f) a low-income family residing in a HUD-owned multifamily rental housing project when the project is sold, foreclosed or demolished by HUD.

To determine if the family is income-eligible, the PMHA compares the annual income of the family to the applicable income limit for the family's size. Families whose annual income exceeds the income limit will be denied admission and offered an informal review. The applicable income limit to be used at initial issuance of a voucher is the income limit of the Summit/Portage SMSA.

Portability: For initial lease-up, families who exercise portability must be within the very low-income limit for the jurisdiction of the receiving housing authority in which they want to live. Participant families who exercise portability, and request or require a change in their form of assistance, must be within the low-income limit of the receiving housing authority if they are to receive the alternate form of assistance.

**C. MANDATORY SOCIAL SECURITY NUMBERS** [24 CFR 750.10 (a-f)]

Each applicant must submit the complete and accurate Social Security Number assigned to each member of the applicant's household and the documentation necessary to verify each Social Security Number. Failure to disclose and furnish verification of social security numbers is grounds for denial or termination of assistance.

**D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS** [24 CFR 812.5]

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

immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

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

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

Non-citizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

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

#### **E. OTHER CRITERIA FOR ADMISSION** [24 CFR 982.552 (b)]

A family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for serious violation of the lease within the past three (3) years.

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

The PMHA may apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. The family must have not have violated any family obligation during a previous participation in the Section 8 program. When PMHA denies assistance to an applicant with a disability, the applicant may request a review of the family obligation that was violated, if the violation was a result of the disability. An exception may be granted by PMHA if the family member who violated the family obligation is not a current member of the household on the application.

2. No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

3. Family must not have violated the requirements under the family's Contract of Participation in the Family Self Sufficiency Program without good cause.

4. Family must have paid any outstanding debt owed the PMHA or another housing authority as a result of prior participation in any federal housing program. A repayment agreement will be executed, but the amounts owed to the housing authority must be paid in full

prior to final eligibility determination. The initial payment of the repayment agreement must be 50% of the total debt owed to housing authority. If a repayment agreement falls into arrears as defined in this policy, the family will be required to pay the balance in full prior to final eligibility determination. The HA reserves the right, in the case of extreme hardship, to amend the repayment agreement in accordance with its procedures. Full documentation of the hardship will be required. In no case will the debt be forgiven.

5. No member of the family may have engaged in drug related or violent criminal activity in the last three years. PMHA will review, on a case-by-case basis those incidents of involvement in drug related or violent criminal activity over three years old. The PMHA will check criminal history for all applicants to determine whether any member of the family has engaged in violent or drug-related criminal activity or has violated any of the prohibited behaviors as referenced in the section on the screening and evictions policy in Chapter 15 of this plan. Verification of any past activity will be done at final eligibility and will include a check of conviction records.

6. No family member may have been evicted from public housing. PMHA will review on a case-by-case basis.

7. No family member may have engaged in or threatened abusive or violent behavior toward PMHA personnel.

**F. SUITABILITY OF FAMILY** [24 CFR 982.202 (b) (1)]

PMHA may take into consideration any of the additional criteria for admission in Section E above, but may not otherwise screen for factors, which relate to the suitability of the applicant family as tenants. It is the responsibility of the owner to screen the applicants as to their suitability for tenancy. PMHA will advise families how to file a complaint if they have been discriminated against by an owner. The PMHA will advise the family to make a Fair Housing complaint. The PMHA will maintain a log of complaints of discrimination by tenants against owners in order to detect patterns of discrimination.

That an applicant or participant is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate basis for denial of program assistance or for denial of admission of an otherwise qualified applicant.

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

Changes that occur during the period between placement on the waiting list and issuance of a voucher may affect the family's eligibility or Total Tenant Payment. For example, if a family goes over the income limit prior to lease up, the applicant will not continue to be eligible for the program. They will be notified in writing of their ineligible status and their right to an informal review.

## **H.     INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal hearing if they were denied due to noncitizen status. See Chapter 19, "Complaints and Appeals" for additional information about hearings.

## **Chapter 3**

### **APPLYING FOR ADMISSION**

#### **INTRODUCTION**

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

#### **A. HOW TO APPLY**

Families who wish to apply for any of PMHA's programs must complete a written application form when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability. Applications will be mailed to interested families upon request.

The application process will involve two phases. The first is the "initial" application for assistance. This first phase results in the family's placement on the waiting list.

The second phase is the "final determination of eligibility" (referred as the full application). The full application takes place when the family reaches the top of the waiting list. At this time PMHA ensures that verification of all HUD and PMHA eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.

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

The PMHA will utilize the following procedures for opening the waiting list. When PMHA opens the waiting list, the housing authority will advertise through public notice in the following newspapers, minority publications and media entities. Notice as to location, and programs for which applications are being accepted in the local paper of record, "minority" newspapers, and other media include at a minimum:

Newspapers - Kent-Ravenna [Record-Courier](#) and [The Reporter](#)  
Agencies – 211 [www.211cleveland.org](http://www.211cleveland.org)

The notice will contain:

- The dates, times, and the locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- A statement that public housing residents must submit a separate application if they want to apply for section 8.
- Limitations, if any, on who may apply.

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

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

### **When Application Taking Is Suspended**

PMHA may suspend the acceptance of applications if there are enough Local Preference holders to fill anticipated openings for the next 24 months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws. Suspension of application taking is announced in the same way as opening the waiting list.

Where the PHA has particular preferences or funding criteria that require a specific category of family, the PMHA may elect to continue to accept applications from these applicants while keeping the waiting list closed to others.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months. PMHA will give at least three day's notice prior to closing the list. When the period for accepting applications is over, the PMHA will add the new applicants to the list by separating the new applicants into groups based on preferences and ranking applicants within each group by date and time of application.

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

When the waiting list is open, any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application. If there are sufficient applications from elderly families, disabled families, applications will not be accepted from other singles. When the application is submitted to PMHA, it establishes the family's date and time of application for placement order on the waiting list.

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

PMHA will utilize a preliminary-application form (pre-application). The information is to be filled out by the applicant whenever possible. To provide specific accommodation to persons with disabilities, the information may be completed by a staff person over the telephone. It may also be mailed to the applicant and, if requested, it will be mailed in an accessible format. Translations will be provided for non-English speaking applicants.

The purpose of the initial application is to permit the PMHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The initial application will contain questions designed to obtain the following information:

- Names of adult members and age of all members
- Sex and relationship of all members
- Street address and phone numbers
- Mailing address (If PO Box or other permanent address)
- Amount(s) and source(s) of income received by household members
- Information regarding disabilities relating to program requirements (i.e., deductions)
- Information related to qualification for preferences
- Social Security numbers
- Race/ethnicity
- Citizenship/eligible immigration status

Duplicate applications, including applications from a segment of an applicant household, will not be accepted. Ineligible families will not be placed on the waiting list.

Initial applications may require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

Applicants are required to inform the housing authority in writing within 5 business days of changes in family composition, income, and address, as well as any changes in their preference status. Applicants are also required to respond to requests from PMHA to update information on their application, or to determine their continued interest in assistance. Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. See Chapter 19, "Complaints and Appeals"

**D. NOTIFICATION OF APPLICANT STATUS**

If after a review of the initial application, the family is determined to be preliminarily eligible, they will be given a copy of the initial application (either directly or by mail). As a reasonable accommodation, and upon request, applicants may be notified in writing in an accessible format. This will be considered as written notification of preliminary eligibility.

If the family is determined to be ineligible based on the information provided in the initial application, PMHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s) , and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 19, "Complaints and Appeals."

#### **E. TIME OF SELECTION**

When funding is available, families will be selected from the waiting list in their preference-determined sequence, regardless of family size. When there is insufficient funding available for the family at the top of the list, PMHA will not admit any other applicant until funding is available for the first applicant. Applicants will not be passed over on the waiting list.

Based on PMHA's turnover and the availability of funding, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on waiting list sequence/completion of verification.

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

The Local Preference claimed on the initial application or update form while the family is on the waiting list will be verified. The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the waiting list because the preference is based on current status.

When PMHA has begun the selection to process applicants, applicants will be required to verify: residency, local preferences, citizenship, and complete the necessary paperwork including, but not limited to: Personal Declaration form, authorization for Release of Information and/or Privacy Act form. They will also be asked to supply copies of birth records/certificates and Social Security cards, Applicant/Tenant Certification form, Drug and Criminal Activity form and any other applicable forms. Any paperwork needed by the applicant may be mailed/communicated as requested as an accommodation to a person with a disability.

The PMHA utilizes the combination of telephone communications and/or in-office meetings to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. These communications are also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other PMHA services or programs which may be available. All adult family members are required to sign all of the documents needed for processing and finalizing the housing application.

The head and spouse are both required to attend the program briefing. It is the applicant's responsibility to reschedule the briefing if s/he misses the appointment. If the applicant does not reschedule or misses three scheduled briefings, PMHA will reject the application.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 14 days from the original appointment date. The request must be made to the Section 8 Briefing contact person.

If an applicant fails to appear for a pre-scheduled briefing, PMHA will automatically schedule a second appointment. If the applicant misses the second appointment without prior approval, an attempt will be made to reschedule a final appointment. Failure to attend the final scheduled briefing will result in the application being denied. If an application is denied due to failure to attend the briefing, the applicant will be notified in writing and offered an opportunity to request an informal hearing. (See Chapter 19, "Complaints and Appeals.")

NOTE: If an applicant fails to appear for their final scheduled briefing without prior approval of PMHA, their application will be denied unless they can provide acceptable documentation to the housing authority that an emergency prevented them from calling.

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

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

Information provided by the applicant will be verified including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full-time student status and other factors related to preferences, eligibility and rent calculation. Verifications may not be more than 60 days old at the time of voucher issuance.

If PMHA determines at or after the briefing that additional information or document(s) are needed, the housing authority will request the document(s) or information in writing. The family will be given 14 calendar days to supply the information. If the information is not supplied in this time period, PMHA will provide the family a notification of denial for assistance. (See Chapter 19, "Complaints and Appeals.")

#### **G. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

After the verification process is completed, PMHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by PMHA, and the current eligibility criteria in effect. If the family is determined to be eligible, the housing authority will mail a notification of eligibility. A briefing will be scheduled for the issuance of a voucher and the family's orientation to the housing program.

## **Chapter 4**

### **ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST**

[24 CFR 982.54(d)(1)]

#### **INTRODUCTION**

It is PMHA's objective to ensure that the families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family, or made to any family prematurely. By maintaining an accurate waiting list, PMHA will be able to perform the activities, which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

#### **A. APPLICATION POOL**

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

1. The application will be a permanent file.
2. All applicants in the pool will be maintained in the order of preference. Applications equal in preference will be maintained by date and time sequence.
3. All applicants must meet "Very Low Income" eligibility requirements as established by HUD. The HUD Field Office must have approved any exceptions to these requirements, other than those outlined in Chapter 2, Eligibility for Admission," previously.

#### **B. WAITING LIST PREFERENCES** [24 CFR 982.207]

##### **Types of Applicants With Preference Over "Other Singles"**

Elderly, disabled and displaced families with up to two members will be given a selection priority over all "Other Single" applicants regardless of preference status.

"Other Singles" denotes a one-person household in which the individual member is neither elderly nor disabled. Such applicants will be placed on the waiting list in accordance with their date and time of application, but cannot be selected for assistance before any elderly single, disabled single, or displaced single regardless of any preferences.

### **C. LOCAL PREFERENCES**

The notice of adoption of and changes to local preferences will be publicized using the same guidelines as those for opening and closing the waiting list. The notice will be distributed following the same guidelines as those used for opening or closing the waiting list.

Effective December 1, 2015 applicants meeting any of the following preferences will be placed at the top of the waiting list.

#### **SECTION 8 WAITING LIST PREFERENCE POINT SYSTEM**

<b><u>Preference</u></b>	<b><u>Points</u></b>
Public Housing Transfers	2
Military Service	1

**Public Housing Transfer-** Public Housing residents who wish to transfer to the Section 8 program for the following reasons:

1. To relocate closer to their employment if employment is five (5) or more miles from the unit the resident currently resides in.
2. To enable large families who are under housed to seek housing with more bedrooms than are available at their public housing development.
3. To enable families who become over housed, including sole remaining family members, the opportunity to move into more suitable housing.
4. To accommodate families who are eligible and desire to participate in a homeownership program sponsored by Neighborhood Development Program or by the PMHA.

**Military Service-** This preference is available to applicants where the head of household, spouse or co-head is a veteran or survivor of a veteran (honorably discharged) who actively served in a branch of the United States Armed Services or an active member of a branch of the United States Armed Services. The term survivor includes the spouse or widow of a veteran (unless remarried). A person who served in the military that was dishonorably discharged is not eligible for the veteran's preference.

All other Section 8 waiting list households would be ranked by order of date of application

**D. EXCEPTIONS FOR SPECIAL ADMISSIONS** [24 CFR 982.203, 982.54(d)(3)]

If HUD awards PMHA program funding that is targeted for specifically named families, the housing authority will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The following are HUD may designate examples of types of program funding that for families living in a specified unit:

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

**E. PREFERENCE ELIGIBILITY** [24 CFR 982.210 (c) (3-4)]

**Change in Circumstances**

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

Applicants may claim or change Preference Points at any time from the date of the pre-application through admission to the program. To claim preference points, the applicant must complete a Preference Certification. When Preference Points are claimed/changed, the applicant's name will be moved to the appropriate position on the waiting list according to the time and date of the pre-application.

Applicants who qualify for Preferences will be issued a Voucher before any other applicant who is not so qualified. If an applicant no longer qualifies for a preference or a preference cannot be verified when assistance is offered, the applicant will be assigned a place on the waiting list based on the time and date the original application was received.

## **Cross-Listing of Public Housing and Section 8**

PMHA will not merge the waiting lists for public housing and Section 8. However, if the Section 8 waiting list is open when the applicant is placed on the public housing list, PMHA will offer to place the family on both lists. If the public housing waiting list is open at the time an applicant applies for Section 8, PMHA will offer to place the family on the public housing waiting list.

The PMHA has a merged waiting list for the Voucher program and the Section 8 Moderate Rehabilitation program.

### **F. ORDER OF SELECTION** [24 CFR 982.207 (e), 982.210 (a)(b)]

Applicants having one or more preferences on the waiting list will be organized by date and time.

Applicants having no preferences will be selected based on a first-come, first-served basis based on date of application.

### **G. FINAL VERIFICATION OF PREFERENCES** [24 CFR 982.210 (c) (3)(4)]

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, PMHA will obtain necessary verifications of preference by third party verification.

### **H. PREFERENCE DENIAL** [24 CFR 982.210 (d)]

If PMHA denies a preference, the housing authority will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal meeting. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list. Applicants may exercise other rights if they believe they have been discriminated against.

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

Applicants are instructed on the application form, and in the notification letter verifying placement on PMHA's Waiting List, that their application is valid for one year from the date of application. The notification letter will also state it is the applicant's responsibility to provide, in writing, any changes in their contact information (address and phone numbers). Applicants will also be required to provide written notice of their interest in remaining on the waiting list within 12 months from the date of their notification letter. The initial 12-month period begins on the date of the application being approved for the waiting list, and will be reset with reported changes in address or notice of continued interest.

The waiting list will be purged at the beginning of each month, with those applicants who have not provided a change of address or notice of continued interest within the previous 12 months to be removed at that time. An applicant may have a 30 day grace period to request re-instatement to the waiting list in their original position. An applicant removed from the waiting list in this manner will be eligible to re-apply immediately (if the wait list is open) or immediately upon the opening of the waiting list for Section 8 Housing Choice Vouchers.

PMHA will consider a request for reasonable accommodation for persons with disability.

## **Chapter 5**

### **SUBSIDY STANDARDS**

#### **INTRODUCTION**

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

#### **A. DETERMINING VOUCHER SIZE** [24 CFR 982.402]

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

All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements. The unit size on the voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

Generally, PMHA assigns one bedroom to two people within the following guidelines:

- Persons of different generations, persons of the opposite sex (other than spouses), and unrelated adults should be allocated a separate bedroom.
- Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under 5).
- Foster children will be included in determining unit size only if they will be in the unit for more than 12 months.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

- Space may be provided for a child who is away at school but who lives with the family during school recesses.
- Space will not be provided for a family member who will be absent most of the time, such as a member who is away in the military.
- Single person families shall be allocated one bedroom.

#### GUIDELINES FOR DETERMINING CERTIFICATE/VOUCHER SIZE

Voucher Size	Persons in Household (Minimum #)	Persons in Household (Maximum #)
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

#### **B. VOUCHER SIZE** [24 CFR 982.403 (a) & (b)]

##### **Changes for Applicants**

The voucher size is determined prior to the briefing by comparing the family composition to PMHA subsidy standards. If an applicant requires a change in the voucher size, the following guidelines will apply:

##### **Requests for Exception to Subsidy Standards for Applicants**

The family may request a larger sized voucher than indicated by PMHA's subsidy standards. Such request must be made in writing within 5 business days of PMHA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.

PMHA shall grant exceptions from the standards if the family requests and PMHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of an accommodation which has been requested, such as:

- Persons who cannot occupy a bedroom because of a verified medical or health reason

- Elderly persons or persons with disabilities who may require a live-in attendant

- Requests based on health related reasons must be verified by a doctor.

If PMHA errs in the bedroom size designation, the family will be issued a certificate or voucher of the appropriate size so that the family is not penalized.

### **Changes for Participants**

The members of the family residing in the unit must be approved by PMHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform PMHA within 10 business days.

### **Requests for Exception to Subsidy Standards for Participants**

PMHA will grant an extension upon request as an accommodation for persons with disabilities. The family may request a larger sized voucher than indicated by PMHA's subsidy standards. Such request must be made in writing within 10 business days of PMHA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.

### **Underhoused Families**

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

### **Transfer Waiting List**

When a change in family composition requires the issuance of another size Voucher, and funds are not available for the type of assistance the family has, the family will be placed on a Transfer List.

Families will be selected from the Transfer List before families are selected from the applicant waiting list. This assures that families who are already on the program are in the appropriate sized units. Families will be selected from this list when there is available funding, in the following sequence:

1. A participant family (whose family composition has been approved by the HA) who requires a change in voucher size because they are living in a unit which is overcrowded according to Housing Quality Standards.
2. A participant family (whose family composition has been approved by PMHA) who requires a change in voucher size under the subsidy standards, but not under Housing Quality Standards.
3. All others who require a transfer as determined by the PMHA.

### **C. UNIT SIZE SELECTED**

The family may select a different size dwelling than that listed on the voucher. There are three criteria to consider:

1. **Rent Limitation**: For the voucher program, PMHA uses the payment standard for the voucher size or the unit size selected by the family, *whichever is less*.
2. **Utility Allowance**: The utility allowance used to calculate the gross rent is based on actual size of the unit the family selects, regardless of the size
3. **Housing Quality Standards**: The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below.

#### **HQS GUIDELINES FOR UNIT SIZE SELECTED**

	Maximum # of Persons in Household
0 Bedroom	1
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14

## **Chapter 6**

### **FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION**

#### **INTRODUCTION** [24 CFR 813]

This chapter defines the allowable deductions from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with the rent determination policies established by PMHA through the Moving To Work Demonstration.

#### **A. INCOME AND ALLOWANCES**

Income: The types of money which are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations. In accordance with this definition, income from all sources of each member of the household is counted.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any allowable expenses or deductions, and does not include income, which has been excluded by PMHA. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the annual income minus any PMHA allowable deductions.

PMHA has seven allowable deductions from annual income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled. This allowance is not to exceed \$960, except that current residents as of April 23, 1999 will have an allowance of \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled, as of June 1, 2000.

2. "Elderly" allowance: \$400 for families whose head or spouse is 62 or over or disabled.

3. Allowable medical expenses for all family members are deducted for "elderly" families.

4. Child care expenses for children under 13 are deducted when child care is necessary to allow an adult member to work or attend school.

5. Expenses for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

6. A \$500 employment deduction will be offered to families whose head of household, co-head of household, or spouse is employed 32 hours a week or more on a permanent basis.

7. A \$500 education deduction will be offered to families whose head of household, co-head of household or spouse are full-time students in post-secondary education, as defined by the standards of institution attended. To qualify for the deduction, a student must be showing satisfactory progress towards graduation with a degree, and maintain a minimum of a 2.0 grade point average (4.0 scale). Only one education deduction will be permitted per family.

### **Income Disregards**

Interest income from bank assets, such as savings and checking accounts and certificates of deposit investments will be excluded from the calculation of annual income.

Earnings for overtime work and any bonuses received from an employer will be excluded from the calculation of annual income. The term "overtime" refers to those hours worked beyond 40 hours in a week.

### **Individuals Sanctioned from Welfare Assistance**

If the welfare or public assistance benefits of a family are reduced because of any member of the family failing to comply with work activities requirements, the amount required to be paid by the family as a monthly contribution toward rent will not be decreased, during the period of the reduction, as a result of any decrease in the income of the family to the extent that the decrease in income is a result of the benefits reduction.

### **"Minimum Rent" and Minimum Family Contribution.**

Minimum rent includes the combined amount (TTP) a family pays towards rent and/or utilities.

Minimum family contribution in the voucher program is \$25. Effective September 1, 2013 the minimum family contribution will increase to \$50.

Exceptions to the minimum rent policy follow:

1. Households with a head of household; co-head of household or spouse who is elderly (62 years of age or older, and/or disabled) will have no minimum rent.
2. Departure or death of the sole elderly or disabled household member will result in the minimum rent requirement being re-instated for remaining household members.
3. In case of hardship, the family may self-certify to a hardship condition for up to 2 months per year. This hardship would provide a waiver for the minimum rent during that period, with no obligation on behalf of the family to re-pay the waived amount.
4. In the case of death of a household member, the PMHA would provide a three-month hardship for the death, with no obligation to repay the waived minimum rent.
5. Any household participating in the VASH Program.

**B. 29.6% Total Tenant Payment**

Effective May 1, 2015 (beginning with the next annual recertification for existing program participants) a family's TTP will be calculated using 29.6% of their gross monthly income with no deductions or allowances.

For households where this calculation method increases the TTP by more than \$30.00 per month, the increase will be capped at \$30.00 until the next annual recertification or until the household experiences a change that results in the recalculation of the TTP, whichever comes first.

**C. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**  
[24 CFR 813.106, 982.54 (d)(10), 982.551 (h) (2), (3), (7)]

The PMHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, PMHA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease. Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. PMHA will evaluate absences from the unit using this policy.

**Absence of Entire Family** [24 CFR 982.54 (10)]

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, PMHA will terminate assistance in accordance with appropriate termination procedures contained in this plan. Families are required both to notify PMHA before they move out of a unit and to give PMHA information about any family absence from the unit.

Families must notify PMHA if they are going to be absent from the unit for more than 30 consecutive days. If the entire family is absent from the assisted unit for more than 90 consecutive days, the unit will be considered to be vacated and the assistance will be terminated, following 30 days notice to the owner.

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

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

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

If the absence, which resulted in termination of assistance, was due to a person's disability and PMHA can verify that the person was unable to notify PMHA in accordance with the family's responsibilities, and if funding is available, PMHA may reinstate the family as an accommodation if requested by the family.

#### **Absence of Any Member** [24 CFR 982.54 (10)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 3 consecutive months or 90 days in a 12 month period except as otherwise provided in this chapter.

#### **Absence due to Medical Reasons** [24 CFR 982.54 (10)]

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, PMHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 consecutive days, the family member will not be considered permanently absent. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with PMHA's "Absence of Entire Family" policy.

#### **Absence due to Incarceration**

If the sole member is incarcerated for more than 90 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 3 consecutive months. PMHA will determine if the reason for incarceration is for drug-related or violent criminal activity. If the crime is determined to be in violation of the PMHA's One Strike Policy, assistance will be terminated.

#### **Foster Care and Absences of Children**

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

If the time period is to be greater than 6 months from the date of removal of the child/ren, the certificate/voucher size will be reduced. If all children are removed from the home permanently, the certificate or voucher size will be reduced in accordance with PMHA's subsidy standards.

#### **Absence of Adult**

If neither parent remains in the household nor the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, PMHA will treat that adult as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will be transferred to the caretaker. If the appropriate agency cannot confirm the guardianship status of the caretaker, PMHA will review the status at 60 day intervals. If custody or legal guardianship has not been awarded by the court, but the action is in process, the PMHA will secure verification from social services staff or the attorney as to the status.

When PMHA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. PMHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 6 months, the person will be considered permanently absent. If an adult family member leaves the household for any reason, the family must report the change in family composition to PMHA within 5 days.

The family will be required to notify PMHA in writing within 5 days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent. The family member will be determined permanently absent if verification is provided.

Time extension will be granted as an accommodation upon request by a person with a disability. If an adult child goes into the military and leaves the household, they will be considered permanently absent.

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

### **Visitors**

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days, or a total of 180 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a family member. Statements from neighbors and/or the landlord will be considered in making the determination. Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and PMHA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 180 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 180 calendar days per year, the minor will be considered to be an eligible visitor and not a family member.

### **Reporting Additions to Owner and the PMHA**

The family obligations require the family to request PMHA approval to add any other family member as an occupant of the unit and to inform PMHA of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing.

If the family does not obtain prior written approval from PMHA, any person the family has permitted to move in will be considered an unauthorized household member. In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to PMHA in writing within 5 business days of the maximum allowable time. Families are required to report any additions to the household in writing to PMHA within 5 business days of the move-in date.

An interim reexamination will be conducted for any additions to the household. In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition.

### **Reporting Absences to PMHA**

Reporting changes in household composition is both a HUD and a PMHA requirement. If a family member leaves the household, the family must report this change to PMHA, in writing, within 5 business days of the change and certify as to whether the member is temporarily absent or permanently absent. PMHA will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

### **D. AVERAGING INCOME** [24 CFR 813.106 (d)]

When annual income cannot be anticipated for a full twelve months, PMHA may:

1. Average known sources of income that vary to compute an annual income, or
2. Annualize current income and conduct an interim reexamination if income changes.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month. The method used depends on the regularity, source and type of income.

**E. MINIMUM INCOME** [24 CFR 813.102]

There is no minimum income requirement.

**F. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**  
[24 CFR 813.106 (a)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, PMHA will calculate the Total Tenant Payment.

(a) Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.

OR

(b) Include the income of the person permanently confined to the nursing home and give the family the medical deductions allowable on behalf of the person in the nursing home.

**G. REGULAR CONTRIBUTIONS AND GIFTS** [24 CFR 813.106 (b)(7)]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every 3 months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than \$600 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.) If the family's expenses exceed its known income, PMHA will question the family about contributions and gifts.

**H. ALIMONY AND CHILD SUPPORT** [24 CFR 813.106 (b)(7)]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment. If the amount of child support or alimony received is less than the amount awarded by the court, PMHA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

PMHA will accept as verification that they family is receiving an amount less than the award if:

(1) PMHA receives verification from the agency responsible for enforcement or collection or (2) the family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

## **I. LUMP-SUM RECEIPTS** [24 CFR 813.106 (b)(4)]

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

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

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt, PMHA will calculate prospectively if the family reported the payment within 10 business days and retroactively to date of receipt if the receipt was not reported within that time frame.

### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

1. The entire lump-sum payment will be added to the annual income at the time of the interim.
2. PMHA will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).
3. At the next annual recertification, PMHA will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.
4. The lump sum will be added in the same way for any interims which occur prior to the next annual recertification.

### **Retroactive Calculation Methodology**

1. PMHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
2. PMHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due PMHA.

At the PMHA's option, PMHA may enter into a payment agreement with the family. The amount owed by the family is a collectible debt even if the family becomes unassisted.

### **Attorney Fees**

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

### **J. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS**

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

1. While an individual is employed, count as assets only amounts the family can
2. After retirement or termination of employment, count any amount the employee

### **K. ATHLETIC SCHOLARSHIP ASSISTANCE**

The portion of any athletic scholarship assistance available for housing costs is considered in the determination of family adjusted income. PMHA will obtain third-party verification of these amounts from the educational institution. When the portion of the athletic scholarship available for housing costs exceeds \$5,000 annually, the student is ineligible for assistance.

### **L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

PMHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. PMHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

PMHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000. If the total value of assets disposed of within a one-year period is less than \$1,000, they will not be considered an asset.

### **M. CHILD CARE EXPENSES** [24 CFR 813.102]

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time. In the case of a child attending private school, only after-hours care can be counted as child care expenses.

Allowability of deductions for child care expenses is based on the following guidelines:

**Child care to work:** The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

**Child care for school:** The number of hours claimed for child care may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).

**N. MEDICAL EXPENSES** [24 CFR 813.102 (d)]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

**O. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES** [24 CFR 812.11]

**Applicability**

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

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

**Prorated Assistance Calculation**

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

**P. REDUCTION IN BENEFITS**

If the family's benefits, such as social security, SSI or AFDC, are reduced through no fault of the family, PMHA will use the net amount of the benefit. If the family's benefits were reduced due to family error, omission, or misrepresentations, PMHA will use the gross amount of the benefit.

**Q. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS**  
[24 CFR 813.102, 813.108]

The utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a family's actual consumption. PMHA will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families along with their voucher. The utility allowance is based on the actual voucher size (e.g. where the family has a 2-bedroom voucher, and the unit is a 3-bedroom, the utility allowance schedule given should be for the 2-bedroom).

Where families provide their own range and refrigerator, PMHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 36 month period.

Where the utility allowance exceeds the family's Total Tenant Payment, PMHA will provide a utility reimbursement payment for the family each month. The check will be made out directly to the tenant unless the tenant has agreed, in writing, to a payment to the utility company.

If a tenant requests a stop payment to be issued on their Utility Reimbursement check(s), due to it being lost, stolen, damaged, destroyed or not received, PMHA may impose a stop payment fee equal to the bank charge. Requests for stop payment must be made in writing.

Where the family owes a debt to PMHA, the utility reimbursement payment will be reduced or withheld and applied to the outstanding debt. Families with debts and repayment agreements that existed prior to March 24, 2009 (the date Board Resolution No. 09-12 was passed) will be permitted to honor the terms of the repayment agreement or elect for the withholding/reduction of the utility reimbursement payment until the debt is paid in full.

## **Chapter 7**

### **VERIFICATION PROCEDURES**

**INTRODUCTION** [24 CFR 750.1, 812.6 &.12, 813.106 &.109, 913.106, 982.108, 982.210-982.213]

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by PMHA. Housing authority staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third-party verifications are not possible.

Applicants and program participants must furnish proof of their statements whenever required by PMHA, and the information they provide must be true and complete. PMHA's verification requirements are designed to maintain program integrity. This chapter explains PMHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. PMHA will ensure that proper authorization from the family is always obtained before making verification inquiries.

#### **A. METHODS OF VERIFICATION AND TIME ALLOWED**

PMHA will verify information through the four methods of verification acceptable to HUD in the following order:

1. Up-front income verification (UIV) whenever available
2. Third-party written
3. Third-Party Oral
4. Review of Documents
5. Certification/Self-Declaration

PMHA will allow 2 weeks for return of third-party verifications and 2 weeks to obtain other types of verifications before going to the next method. PMHA will document the file as to why third-party written verification was not used.

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

#### **Self-Certification as Highest Form of Income Verification**

Effective January 1, 2021, HUD approved in the MTW plan, PMHA may waive the requirement to use the HUD system of income verification hierarchy when verifying certain types of income verification for annual and interim reexaminations. The specific types of income to be self-certified are: employment income, child support for which no court order exists, in-kind income, miscellaneous income (i.e. handyperson jobs, mowing, babysitting, cleaning, and other similar odd jobs), TANF benefits (given that the amount self-certified is consistent with the amount

specified by the State for the household size), zero income status, and asset balance. The self-certification would be obtained verbally or in written format from the program participant, and PMHA staff would use the self-certification, cross referenced with the EIV income report, to determine the dollar amount of participant's income for rent calculation purposes.

PMHA staff will be responsible for obtaining the EIV income report and determining if there are any discrepancies between the report and what was self-certified by the program participant. If any discrepancies are found, PMHA will require additional income verification be provided or obtained for review, such as pay stubs, third party income verification, child support agreements, and/or 1099s, W-2s, and Federal tax return documents. PMHA staff will also be responsible for addressing any material income discrepancies that may arise later.

This process will not be used for HCV program applicants who are processing for initial eligibility, or for other circumstances where eligibility for a new HCV voucher is required (i.e. unit changes).

### **Up-front income verification (UIV)**

Up-front income verification (UIV) refers to the PMHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PMHA.

PMHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until PMHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of PMHA.

### **Definition of substantial difference**

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. In "HUD guidelines for projecting annual income when UIV data is available" [HUD website, April 2004], HUD recommends using \$200 per month as the threshold for a substantial difference. PMHA will therefore use \$200 per month as the threshold for a substantial difference. See chapter 6 for the PMHA's policy on the use of UIV to project annual income and for PMHA's threshold for substantial difference.

### **When no substantial difference exists**

If UIV information does not differ substantially from family information, the UIV documentation may serve as third-party written verification.

### When a substantial difference exists

When there is a substantial difference between the information provided by the UIV source and the family, PMHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

### **Third-Party Written Verification**

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail or electronically. The family will be required to sign an authorization for the information source to release the specified information. Verifications received electronically directly from the source are considered third party written verifications.

Third party verification forms will not be hand carried by the family under any circumstances except that PMHA will accept verifications delivered by the family from the following agencies:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts

### **Third-Party Oral Verification**

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, PMHA will compare the information to any documents provided by the family. If provided by telephone, PMHA must originate the call.

### **Review of Documents**

In the event that third-party written or oral verification is unavailable, or the third party has not verified the information within 2 weeks, PMHA will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form.

PMHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer printouts from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this chapter as acceptable verification

PMHA will accept faxed documents and photocopies.

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

### **Self-Certification/Self-Declaration**

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification.

Self-certification means a certification/statement made under penalty of perjury.

## **B. RELEASE OF INFORMATION**

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by PMHA or HUD.

## **C. COMPUTER MATCHING**

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

The housing authority will utilize HUD established computer-based tenant eligibility verification systems for obtaining social security benefits, supplemental security income benefit history and tenant discrepancy reports from the social security administration. When computer-matching results in a discrepancy with information in the PHA records, the PHA will follow up with the family and verification sources to resolve the discrepancy. If the family has unreported or under-reported income, the PHA will follow the procedures in the program integrity section of the Administrative Plan.

When the family furnishes PMHA with a letter or notice from HUD concerning the amount or verification of income, the housing authority will verify the accuracy of income information contained in the notice and will, as appropriate:

Change the amount of the total tenant payment, family rent to owner and housing assistance payment, or terminate assistance.

## **D. ITEMS TO BE VERIFIED**

### **Income:**

- All income not specifically excluded by the regulations or by Moving To Work rent policies.
- Zero-income status of household.
- Full-time student status including high school students who are 18 or over.
- Current assets including assets disposed of for less than fair market value in preceding two years.
- Child care expense where it allows an adult family member to be employed or to further his/her education.
- Total medical expenses of all family member in households whose head or spouse is elderly or disabled.

- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus, which allow an adult family member to be employed.
- Disability for determination of preferences, allowances or deductions.
- U.S. citizenship/eligible immigrant status.
- Social Security Numbers for all family members
- “Preference” status
- Marital status when needed for head or spouse definition.
- Veteran Status
- Verification of reduction in benefits for noncompliance:

PMHA will obtain written verification from the welfare agency stating that the family’s benefits have been reduced for fraud or non-compliance before denying the family’s request for rent reduction.

## **E. VERIFICATION OF INCOME**

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

### **Employment Income**

Verification forms request the employer to specify the:

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

Acceptable methods of verification include, in this order:

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

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

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

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

### **Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**

PMHA will attempt to obtain information about disability benefits through the HUD UIV system when it is available, or HUD's tenant assessment subsystem (TASS). If the HUD UIV system or TASS is not available, PMHA will attempt to obtain third-party written/oral verification from the SSA. If third-party verification is not available, the family may provide an original SSA document that confirms the current benefits.

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Acceptable methods of verification include, in this order:

1. UIV data (when available)
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.
4. Computer report electronically obtained or in hard copy.
5. Bank statements for direct deposits.

### **Unemployment Compensation**

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency.
2. Computer printouts from unemployment office stating payment dates and amounts.
3. Payment stubs.

### **Welfare Payments or General Assistance**

Acceptable methods of verification include, in this order:

1. HA verification form completed by payment provider.
2. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
3. Computer-generated Notice of Action.
4. Computer-generated list of recipients from the Welfare Department.

## **Alimony or Child Support Payments**

Acceptable methods of verification include, in this order:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. A (notarized) letter from the person paying the support.
3. Copy of latest check and/or payment stubs from Court Trustee. The PMHA must record the date, amount, and number of the check.
4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
5. If payments are irregular, the family must provide:
  - A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.
  - A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
  - A notarized affidavit from the family indicating the amount(s) received.
  - A welfare notice of action showing amounts received by the welfare agency for
  - A written statement from an attorney certifying that a collection or enforcement action has been filed.

## **Net Income from a Business**

In order to verify the net income from a business, PMHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
  - Schedule C (Small Business)
  - Schedule E (Rental Property Income)
  - Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

2. Audited or unaudited financial statement(s) of the business.
3. Credit report or loan application.
4. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

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

### **Child Care Business**

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

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

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

PMHA will conduct interim reevaluations every 90 days and require the participant to provide a log with the information about customers and income.

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

### **Recurring Gifts**

The family must furnish a self-certification, which contains the following information:

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

### **Zero Income Status**

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

PMHA will request information from IRS.

PMHA may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

PMHA may run a credit report if information is received that indicates the family has an unreported income source.

### **Full-Time Student Status**

Only the first \$480 of the earned income of full time students, other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students are not counted towards family income.

The portion of any athletic scholarship assistance available for housing costs is counted towards family adjusted income.

Verification of full time student status includes:

1. Written verification from the registrar's office or other school official.
2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

### **F. INCOME FROM ASSETS**

Acceptable methods of verification include, in this order:

#### **Savings Account Interest Income and Dividends**

May be verified by:

1. Account statements, passbooks, certificates of deposit, or PMHA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution provided that PMHA must adjust the information to project earnings expected for the next 12 months.

#### **Interest Income from Mortgages or Similar Arrangements**

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

### **Net Rental Income from Property Owned by Family**

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

### **G. VERIFICATION OF ASSETS**

#### **Family Assets**

PMHA will require the necessary information to determine the current cash value (the net amount the family would receive if the asset were converted to cash) of non-bank assets:

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.
8. Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

#### **Assets Disposed of for Less than Fair Market Value (FMV)**

1. For all certifications and recertifications, PMHA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.
2. If the family certifies that they have disposed of assets for less than fair market value, verification [or certification] is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

## **H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**

### **Employment Deduction**

Verification forms request the employer to specify the:

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

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.
4. Self-certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities. Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

### **Education Deduction**

Verification of full time student showing satisfactory progress status includes:

1. Written verification from the registrar's office or other school official.
2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.
3. Transcript issued by the educational institution.
4. Grade report issued by the educational institution

Verification of full-time student status for the purposes of education deduction applies only to head of household, co-head of household or spouse enrolled in post-secondary education.

### **Child Care Expenses**

1. Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.
2. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
3. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

## **Medical Expenses**

Families who claim medical expenses or expenses to assist a person(s) with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of
  - a. The anticipated medical costs to be incurred by the family and regular
  - b. Extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration's written of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
4. For attendant care:
  - a. A reliable, knowledgeable professional's certification that the assistance of an hours the care is needed for calculation purposes.
  - b. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
2. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
3. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
4. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. PMHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
5. PMHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

## **Assistance to Persons with Disabilities**

### 1. In all cases:

- (a) Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
- (b) Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

### 1. Attendant Care:

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

### 3. Auxiliary Apparatus:

- (a) Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- (b) In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## **I. VERIFYING NON-FINANCIAL FACTORS**

### **Verification of Legal Identity**

In order to prevent program abuse, PMHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

Certificate of birth, naturalization papers  
Church-issued baptismal certificate  
Current, valid driver's license  
U.S. military discharge (DD 214)  
U.S. passport  
Voter's registration

Company/agency identification card  
Department of Motor Vehicles identification card  
Hospital records

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

Certificate of birth  
Adoption papers  
Custody agreement  
Health and Human Services ID  
School records

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

### **Verification of Marital Status**

Verification of divorce status will be a certified copy of the divorce decree, signed by a court officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

### **VERIFICATION OF VETERAN STATUS**

Verification of veteran status will be a U.S. Military Discharge Form (DD 214).

### **Familial Relationships**

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

- Verification of relationship:

- Official identification showing names
  - Birth certificates
  - Baptismal certificates

- Verification of guardianship is:

- Court-ordered assignment
  - Affidavit of parent

Verification from social services agency  
School records

### **Verification of Permanent Absence of Adult Member**

If the family reports an adult member who was formerly a member of the household permanently absent, PMHA will consider any of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
6. If no other proof can be provided, PMHA will accept a self-certification from the family.
7. If the adult family member is incarcerated, a document from the court or prison should be obtained stating how long they will be incarcerated.

### **Verification of Change in Family Composition**

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

### **Verification of Disability**

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

### **Verification of Citizenship/Eligible Immigrant Status**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare his or her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PMHA hearing is pending.

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

(b) Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

(c) Non-citizens with eligible immigration status must sign a declaration of status and Verification consent form and provide their original immigration documents, which are copied front and back and returned to the family. PMHA verifies the status through the INS SAVE system. If the primary verification fails to verify status, PMHA must request, within ten days, that the INS conduct a manual search.

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

(d) Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

#### Failure to Provide.

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

#### Time of Verification.

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

For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in.

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

#### Extensions of Time to Provide Documents.

Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. PMHA will generally allow up to 60 calendar days to provide the document or a receipt issued by the INS for issuance of replacement documents.

#### Acceptable Documents of Eligible Immigration.

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

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

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

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

If PMHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated, unless the ineligible individual has already been considered in prorating the family's assistance.

#### Verification of Social Security Numbers

Each participant, except those age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010, who has not previously disclosed a Social Security Number; previously disclosed a Social Security Number that HUD or the SSA determined invalid; or has been issued a new SSN must submit the following information at the next interim or regularly scheduled reexamination or recertification of family composition or income, or other reexamination or recertification for the program involved:

1. The complete and accurate Social Security Number assigned to the participant and to each member of the participant's household; and
2. The documentation needed to verify the Social Security Number.

Live-in aids and foster children/adults must also provide the complete and accurate Social Security Number assigned to them and the documentation needed to verify the Social Security Number.

#### Documentation Needed to Verify the Social Security Number

The documentation necessary to verify the Social Security Number of an individual is:

1. A valid Social Security Number card issued by the Social Security Administration;

2. An original document issued by a federal or state government agency, which contains the name of the individual and the Social Security Number of the individual, along with other identifying information of the individual; or
3. Such other evidence of the Social Security Number as HUD may prescribe in administrative instructions.

#### Subsequent Disclosures

When the participant requests to add a new household member who is at least 6 years of age, or is under the age of 6 and has an assigned SSN, at the time of the request or at the time of processing the interim reexamination or recertification of family composition that includes the new member the participant must provide the complete and accurate Social Security Number assigned to each new member and the documentation needed to verify the Social Security Number for each new member.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned a Social Security Number, the participant shall be required to provide the complete and accurate Social Security Number assigned to each new child and the documentation needed to verify the Social Security Number for each new child within 90 calendar days of the child being added to the household.

An extension of an additional 90-day period will be granted if it is determined that the participant's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant. During this period, the child shall be included as a part of the assisted household and the child shall be entitled to all the benefits of being a household member. If upon expiration of the extension the participant fails to produce a Social Security Number and documentation needed to verify the Social Security Number, termination of assistance will result.

#### **Medical Need for Larger Unit**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

#### **Certification as Status as a Victim of Domestic Violence**

PMHA and/or an owner/landlord may request that an individual claiming status as a victim or family member of a victim to certify that the individual is a victim of domestic violence, dating violence or stalking, that the incident(s) in question are bona fide incidents of such actual or threatened abuse and shall include the name of the perpetrator(s). The individual shall have 14 business days to provide the certification in writing to receive the protection from eviction or termination. The Section 8 Manager may extend the deadline at their discretion. An owner need not demand certification in order to provide VAWA benefits to a tenant.

Methods of certification will be:

1. Completion of a HUD-approved certification form.
2. Documentation signed by an employee, agent or volunteer of a victim service provider, an attorney or medical professional from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking or the effects of such abuse. The professional must attest under penalty of perjury that to their professional belief the incident or incident(s) in question are bona fide incidents of abuse. The victim must sign or attest to the documentation.
3. A Federal, State, tribal, territorial or local police or court record.

Information provided by the victim pursuant to the certification shall be retained in confidence and not entered into any shared database nor provided to any related entity except when disclosure is consented to in writing, required for use in eviction proceedings or otherwise required by law.

**J. VERIFICATION OF ELIGIBILITY OF FULL-TIME COLLEGE STUDENT OF NON-PARENTAL/GUARDIAN HOUSEHOLDS**

A “full-time” student is defined as a person who is attending school or vocational training on a full-time basis (24 CFR 5.603).

**Age**

PMHA must obtain proof of age such as a valid driver’s license, identification card issued by a federal, state or local agency, identification issued by a medical insurance company, birth certificate, or other form of identification as determined by PMHA.

**Income**

PMHA must verify all sources of income reported by the student in accordance with 24 CFR 960.259 and 982.516. Each college student within a household must provide a written/signed certification that the student does or does not anticipate receiving financial support from the student’s parent(s) or guardian(s) and the amount of the support. PMHA will obtain 3<sup>rd</sup>-party verification of all amounts anticipated to be received outside of the family during the 12-month period following admission and the effective date of the annual reexamination.

**Tax filing Status**

PMHA will verify that the college student is not claimed as a dependent by the parent(s) or legal guardian(s) on their Internal Revenue Services (IRS) tax return by requesting a copy of the student’s form 1040EZ, 1040A or 1040 tax returns for the prior year. PMHA may also, if practicable, review the college student’s parents’ or guardians’ tax return. The student must supply any information that PMHA or HUD deems necessary in the administration of the voucher program.

### **Athletic Scholarship Assistance**

The portion of any athletic scholarship assistance available for housing costs is considered in the determination of family adjusted income. PMHA will obtain 3<sup>rd</sup> party verification of these amounts from the educational institution.

## **Chapter 8**

### **VOUCHER ISSUANCE AND BRIEFINGS**

#### **INTRODUCTION**

PMHA's objectives are to assure that families selected to participate are successful in obtaining an acceptable housing unit, and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements. When families have been determined to be eligible, PMHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PMHA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

#### **A. ISSUANCE OF VOUCHERS** [24 CFR 982.204 (d), 982.54 (d)(2)]

When funding is available, PMHA will issue vouchers to applicants whose eligibility has been determined. The issuance of vouchers must be within the dollar limitations set by the ACC budget.

The number of vouchers issued must ensure that PMHA stays as close as possible to 100% lease-up. PMHA performs a monthly calculation to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent PMHA can over-issue (issue more vouchers than the budget allows).

PMHA may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers which are over-issued must be honored. If PMHA finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

#### **B. BRIEFING TYPES AND REQUIRED ATTENDANCE** [24 CFR 982.301]

##### **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to Section 8 Assistant Manager.

The purpose of the briefing is to explain the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to

their advantage, and it will prepare them to discuss it with potential owners and property managers.

PMHA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend 2 scheduled briefings, without prior notification and approval of PMHA, may be denied admission based on failure to supply information needed for certification. PMHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

### **Briefing Packet**

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. PMHA also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and/or materials.

1. The terms of the voucher, including but not limited to extensions and terminations.
2. Information which includes, but is not limited to Total Tenant Payment, HAP calculation, Fair Market Rents, Payment Standards, and Utility Allowances. Packet includes a sample rent calculation form.
3. Information regarding unit selection, including but not limited to location, geographical boundaries, unit condition and amenities. A list of areas having specific amenities is included, in order to encourage participants to seek opportunities outside of areas with high concentrations of poverty and minorities.
4. Copy of the PMHA model lease and HUD lease addendum.
5. Request for Tenancy Approval form, form and a description of the procedure for requesting approval for a unit.
6. The HA policy on providing information about families to prospective owners.
7. The subsidy standards, when and how exceptions are made and how the voucher size relates to the unit size selected.
8. The HUD brochure, "A Good Place to Live" on how to select a unit that complies with HQS.
9. Brochure on lead-based paint and information about where blood level testing is available.
10. Brochures from Fair Housing which include but are not limited to information regarding housing and disabilities as well as housing discrimination (a form for reporting suspected discrimination is provided).
11. A list of landlords or other parties willing to lease to assisted families or help in the search and/or known units available for the size certificate or voucher issued. The list notes those properties located outside of areas having high concentrations of poverty and minorities.
12. If the family includes a person with disabilities, notice that PMHA will provide a list of available accessible units known to PMHA.

13. Family Obligations which outline program participation requirements, as well as grounds for termination of assistance.
14. Section 8 Termination Policy Statement, outlining the procedure to request an informal hearing.
15. Form for reporting program abuse (side payments, extra charges violations of tenant rights, owner failure to repair, fraud).
16. Information sheet, "Tenant's and Landlord's Rights and Duties" regarding legal duties of both parties.
17. Information on security deposits and legal referral services.
18. Housing Quality Standards (HQS) checklist.

#### Other Information to be Provided at the Briefing

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and the PMHA, and PMHA and the owner.

The briefing presentation emphasizes:

- Family and owner responsibilities
- Where a family may lease a unit inside and outside its jurisdiction
- How portability works for families eligible to exercise portability
- Advantages to moving to area with low concentration of poor families if family is living in a high poverty neighborhood in PMHA's jurisdiction
- Exercising choice in residency
- Choosing a unit carefully and only after due consideration.
- The Family Self-Sufficiency program and its advantages.

A written notice will be given to the family explaining that they have a right to select any unit that qualifies for the program and the choice of PMHA-owned housing must be made freely.

#### **Owner Briefing**

Briefings are held for owners periodically. All new owners receive a personal invitation and current owners are notified by mail. Prospective owners are also welcome. The purpose of the briefing is to assure successful owner participation in the program.

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

At the briefing, families are encouraged to search for housing in non-impacted areas and PMHA will provide assistance to families who wish to do so. The assistance provided to such families includes:

- Direct contact with landlords.
- Counseling with the family.
- Providing information about services in various non-impacted areas.

Meeting with neighborhood groups to promote understanding.  
Formal or informal discussions with landlord groups  
Formal or informal discussions with social service agencies  
Meeting with fair housing groups or agencies

PMHA will maintain lists of available housing submitted by owners in all neighborhoods within its jurisdiction to ensure greater mobility and housing choice to very low income households. The lists of owners/units will be provided at the front desk/mailed on request and provided at briefings. The referral list will note those properties that are located outside of areas of high poverty and minority concentrations. In addition, at the briefing, PMHA provides a list of areas having specific amenities, such as schools, transportation and employment growth areas to encourage tenants to consider non-impacted areas.

The Landlord Contact form, required to be completed by each participant initially searching for housing, lists reasons that tenants experience during their search for housing. This information is summarized annually to reveal patterns to the obstacles in finding housing, so that PMHA can attempt to address the obstacles, to promote greater choice in housing.

#### **D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION**

##### **Fair Housing Laws**

PMHA provides the family with a HUD discrimination complaint form 903 and the location of the local Fair Housing office. If HUD Fair Housing makes a finding of discrimination against an owner, PMHA will restrict the owner from future participation. PMHA provides the family with the HUD discrimination complaint form and directs the family to report suspected discrimination to HUD.

#### **E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313]

##### **Leases Effective Prior to October 2, 1995**

The amount of security deposit which could have been collected by owners under contracts effective prior to October 2, 1995 is:

- For the voucher program, the owner, at his/her discretion, could have collected a security deposit in an amount not to exceed prevailing market practice.
- For non-lease-in-place families, the greater of 30% of adjusted monthly income or \$50

## **Leases Effective on or after October 2, 1995**

Security deposits charged by owners may not exceed those charged to unassisted tenants (nor the maximum prescribed by State or local law.) For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

### **F. TERM OF VOUCHER** [24 CFR 982.303, 982.54(d)(11)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between PMHA and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

### **Expirations**

The voucher is valid for a period of one hundred twenty (120) calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the one hundred twenty (120) day period.

If the voucher has expired the family will be denied assistance. There family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect. If the expiration date falls on a Saturday, Sunday or PMHA holiday, the next business day will become the expiration date.

### **Suspensions**

When a Request for Tenancy Approval is received, PMHA will deduct the number of days required to process the request from the 120-day term of the voucher.

### **Extensions**

As an extension of the voucher term of up to 60 additional days may be granted as a reasonable accommodation for voucher holders with disabilities.

### **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PMHA office to request assistance. Voucher holders will be notified at their briefing session that PMHA periodically updates the listing of available units and how the updated list may be obtained. PMHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

### **G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS** [24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, PMHA shall consider the following factors to determine which of the families will continue to be assisted:

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

Documentation of these factors will be the responsibility of the requesting parties. If documentation is not provided, PMHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

**H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER** [24 CFR 812.2-definition]

To be considered the remaining member of the tenant family, the person must have been previously approved by PMHA to be living in the unit. A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the family.

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

1. The court has to have awarded emancipated minor status to the minor, or
2. PMHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher size.

## **Chapter 9**

### **REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION**

#### **INTRODUCTION** [24 CFR 982.305 (a)]

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

#### **A. REQUEST FOR TENANCY APPROVAL** [24 CFR 982.305 (b)]

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease must be submitted by the family during the term of the voucher. The Request for Tenancy Approval must be signed by both the owner and voucher holder. The lease may be executed up to 60 days prior to contract execution but cannot be executed without approval of PMHA. The PMHA will not permit the family to submit more than one RFTA at a time.

PMHA will review the documents to determine whether or not they are approvable.

The Request for Tenancy Approval will be approved if:

1. The unit is an eligible type of housing
2. The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this administrative plan)
3. The rent is reasonable
4. The security deposit amount is approvable.
5. The proposed lease complies with HUD and PMHA requirements
6. The owner is approvable, and there are no conflicts of interest.

#### **Disapproval of RFTA**

If PMHA determines that the Request cannot be approved for any reason, the landlord and the family will be notified in writing. PMHA will instruct the owner and family of the steps that are necessary to approve the Request. The owner will be given 14 calendar days to submit an approvable RFTA from the date of disapproval.

When, for any reason, an RFTA is not approved, PMHA will furnish another RFTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

The time limit on the voucher will be suspended while the RFTA is being processed.

**B. ELIGIBLE TYPES OF HOUSING** [24 CFR 982.353, 982.54(d)(15)]

The PMHA will approve any of the following types of housing in the voucher program:

- All structure types can be utilized.
- Manufactured homes where the tenant leases the mobile home and the pad.
- Independent group residences
- Congregate facilities (only the shelter rent is assisted)
- Single Room Occupancy
- Units owned (but not subsidized) by PMHA

A family can own a rental unit but cannot reside in it while being assisted. A family may lease in and have an interest in a cooperative housing development. Families are not permitted to lease properties owned by relatives, unless it is a reasonable accommodation for a disability. PMHA may not permit a voucher holder to lease a unit which is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.

PMHA will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes described above.
- Nursing homes or other institutions that provide care.
- School dormitories and institutional housing.
- Any other types of housing prohibited by HUD.

**C. LEASE REVIEW** [24 CFR 982.308]

PMHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request For Tenancy Approval. Owners may either submit their own lease or permit PMHA to furnish the lease. In cases where the owner's lease is used, the HUD lease addendum must be attached and executed.

PMHA will encourage owners to use a sample lease provided by the PMHA which includes the HUD-mandated language. House Rules of the owner may be attached to the lease as an addendum, provided they are approved by PMHA to ensure they do not violate any fair housing HUD provisions.

**Separate Agreements**

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

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

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

PMHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction. If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed. All agreements for special items or services must be attached to the lease approved by PMHA. If agreements are entered into at a later date, they must be approved by PMHA and attached to the lease.

PMHA will not approve separate agreements for modifications to the unit for persons with disabilities. If the owner makes modifications to the unit, the costs should be recovered through the rent collected, not by having the tenant pay for the modifications. Exception would be considered if the modifications are such that they most likely would be removed if the tenant moved out.

**D. INITIAL INSPECTIONS** [24 CFR 982.305 (a) & (b)]

See Chapter 10, "Housing Quality Standards and Inspections."

**E. RENT LIMITATIONS** [24 CFR 882.106 (a)]

Effective January 1, 2018 in the voucher program, PMHA will permit tenants to pay up to 50% of their adjusted income toward rent and utilities.

**Exception Rents**

Exception rents will be utilized to:

- Expand housing opportunities for families to move from poverty-impacted areas.
- Make accessible units available to persons with disabilities.
- Increase the housing choices available to low-income families.

Rent reasonableness will still be used as a measure of whether the rent is approvable.

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

Exception rents for up to 10% over Fair Market Rent will be permitted for up to 30% of the total inventory of Section 8 units, excluding Moderate Rehabilitation units.

Exception rents will be evaluated annually and adjusted using the same percentage that HUD applies to the FMR.

**F. INFORMATION TO OWNERS** [24 CFR 982.307 (b), 982.54 (d)(7)]

In accordance with HUD requirements, the PMHA will furnish prospective owners who request the family's address information in writing from the PMHA with the family's current address as shown in the PMHA's records and, if known to the PMHA, the name and address of the landlord at the family's current and prior address. The PMHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The PMHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. The PMHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

When a family wants to lease a dwelling unit, the PMHA may offer prospective landlords additional information from the Housing Authority records including information about:

1. Drug trafficking by family members.
2. Eviction from PMHA subsidized units that occurred within the past three years.
3. Whether damage claims have been submitted to PMHA by Section 8 landlords within the past three years.
4. Whether a family has entered into a repayment agreement for tenant caused damages within the last three years.

This information will be provided upon written request of the landlord. Information will be provided when it is part of the tenant's file in connection with previous assisted tenancies.

Only the Section 8 Assistant Managers may provide this information.

The PMHA's policy on providing information to owners will be included in the information packet provided at the briefings for new and moving families.

The policy will apply uniformly to all families and owners.

**G. OWNER DISAPPROVAL** [24 CFR 982.306]

For purposes of this section, "owner" includes a principal or other interested party.

PMHA may disapprove the owner for the following reasons:

- HUD or other agency directly related has informed PMHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed PMHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed PMHA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- The owner has engaged in drug trafficking.
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has not paid State or local real estate taxes, fines or assessments.

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

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated. If the family does not report any change, PMHA need not obtain new verifications before signing the HAP Contract, even if verifications are more than 60 days old.

## **I. CONTRACT EXECUTION PROCESS** [24 CFR 982.305(c)]

PMHA prepares the Housing Assistance Contract for execution. The family and the owner will execute the Lease agreement, and the owner and PMHA will execute the HAP Contract. Copies of the documents will be furnished to the parties who signed the respective documents.

PMHA makes every effort to execute the HAP Contract before the commencement of the lease term. The HAP Contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed. The following are authorized to execute a contract on behalf of PMHA: Section 8 Housing Specialists, Assistant Section 8 Managers, the Section 8 Manager, the Assistant Director, and the Executive Director. Owners must provide the current address of their residence (not a post office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address. Owners must provide an Employer Identification Number or Social Security Number. The owner must provide a business or home telephone number.

**J.**      **CHANGE IN OWNERSHIP**

A change in ownership does not require execution of a new contract. PMHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title and the Employee Identification Number or Social Security number of the new owner.

## **Chapter 10**

### **HOUSING QUALITY STANDARDS AND INSPECTIONS**

#### **INTRODUCTION**

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit.

These minimum standards may be enhanced by PMHA, provided that by doing so, PMHA does not overly restrict the number of units available for lease under the program. The use of the term "HQS" in this administrative plan refers to the combination of both HUD and PMHA requirements. This chapter describes PMHA's procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

#### **A. GUIDELINES/TYPES OF INSPECTIONS** [24 CFR 982.401 (a), 982.405]

PMHA has adopted local requirements of acceptability in addition to those mandated by the HUD regulations. All units must meet the minimum standards set forth in the City of Kent, Ravenna and Windham Village Housing Codes. In cases of inconsistency between the Codes and these HQS, the stricter of the two shall prevail. Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards.

There are six types of inspections the HA will perform:

1. Initial/Move-in: Conducted upon receipt of Request For Tenancy Approval.
2. Biennial: Must be conducted not less than once every twenty four (24) months.
4. Special/Complaint: At request of owner, family or an agency or third-party.
5. Move-Out/Vacate: At landlord's request or if claim is to be submitted.
6. Quality Control: Quality control inspections of a sample of units will be performed by a supervisor or other qualified person.

#### **B. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS**

PMHA adheres to the acceptability criteria in the program regulations and HUD Inspection Booklet and the housing codes for: City of Kent, Ravenna and Village of Windham.

## **Additions to HQS:**

### **Walls:**

All units must be painted every five years, or more frequently if deemed necessary by the Inspector.

In areas where plaster or drywall is sagging, severely cracked or otherwise damaged, it must be repaired or replaced and then repainted with two coats of a non-lead paint.

Any exterior or interior surfaces with peeling or chipping paint must be scraped and painted with two coats of unleaded paint or other suitable material.

All walls in a tub or shower area must be covered with ceramic tile or other material that is impervious to water to prevent water damage and eventual deterioration.

### **Windows:**

All window sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a watertight seal.

All openable windows must have a properly fitting screen in good condition and have the ability to remain open without a temporary device (i.e. stick, brick or bottle).

### **Doors:**

All exterior doors must be weathertight to avoid any air or water infiltration, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

All exterior doors must have functioning permanent locks and the tenant must be provided with keys to each lock.

### **Floors:**

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state (no plywood).

All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe may be used for kitchens and bathrooms.

### **Sinks:**

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

All sinks must have at least one functioning stoppers.

#### Security:

If window security bars or security screens are present on emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

Owners are responsible for providing and replacing old batteries for battery powered smoke detector units unless the lease states that otherwise. Tenants will be instructed not to tamper with smoke detectors or remove batteries.

#### Bedrooms:

A bedroom must have a floor area of not less than seventy (70) square feet.

Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability.

Minimum bedroom ceiling height is 7'6" or local code, whichever is greater. Sloping ceilings may not slope to lower than five feet in the 70 square foot area.

#### Modifications:

Modifications or adaptations to a unit due to a disability must meet all applicable HQS and building codes.

Extension for repair items not required by HQS will be granted for modifications/adaptations to the unit if agreed to by the tenant and landlord. HA will allow execution of the HAP contract if unit meets all requirements and the modifications do not affect the livability of the unit.

#### Infestation:

Units that fail because of an infestation will be required to be treated by a licensed commercial exterminator. In order to pass HQS, the owner must provide the Section 8 Inspector with receipts that the work was done by a licensed commercial exterminator.

#### Electrical:

A Ground Fault Circuit Interrupter, commonly called a GFI or GFCI, must be installed in areas where there is a water source (e.g. bathrooms, kitchens) except for laundry rooms. A GFI should be installed within 3 feet from the water source.

## **C. INSPECTIONS**

PMHA conducts an inspection in accordance with Housing Quality Standards at least biennially 90 days prior to the anniversary month of the contract. Special inspections may be scheduled between anniversary dates.

### **Notice And Scheduling**

The family must allow PMHA to inspect the unit at reasonable times with reasonable notice. Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, PMHA will give as much notice as possible, given the nature of the emergency. Reasonable hours to conduct an inspection are between 9:00 a.m. and 4:00 p.m.

### **Attendance At Inspections By Owner And Family**

When a family occupies the unit at the time of inspection an adult member must be present for biennial and special inspections. The presence of the owner or the owner's representative is encouraged but is not required. If an adult member cannot be present, an adult family representative may be present.

At the initial inspection of a vacant unit, PMHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

### **Time Standards for Repairs**

1. Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification.
2. For non-emergency items, repairs must be made within 30 days.
3. For major repairs, PMHA may approve an extension beyond 30 days.

## **D. EMERGENCY REPAIR ITEMS** [24 CFR 982.401 (a)]

The following items are considered of an emergency nature-and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the Inspector:

- Lack of security for the unit
- Waterlogged ceiling in imminent danger of falling
- Major plumbing leaks or flooding
- Natural gas leak or fumes
- Electrical problem which could result in shock or fire
- No heat when outside temperature is below 32 degrees F. and temperature inside unit is below 60 degrees F.

- Utilities not in service
- No running hot water
- Broken glass where someone could be injured
- Obstacle which prevents tenant's entrance or exit
- Lack of functioning toilet
- Inoperable smoke detectors

When life-threatening conditions are identified, PMHA will immediately notify both parties by telephone, facsimile or e-mail. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the inspector's notice.

PMHA may give a short extension (not more than 24 additional hours) whenever the responsible party cannot be notified or it is impossible to effect the repair within the 24-hour period. In those cases where the inspector observes leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified, proper authorities will be notified by PMHA.

If the emergency repair item(s) are not corrected in the time period required by PMHA, and the owner is responsible, the housing assistance payment will be abated and the HAP contract will be terminated. If the emergency repair item(s) are not corrected in the time period required by PMHA, and it is an HQS breach which is a family obligation, PMHA will terminate the assistance to the family and the owner's payment will not be abated for the breach of HQS.

The owner will be required to repair an inoperable smoke detector unless the inspector determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to replace the battery within 24 hours.

#### **E. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)**

The owner is responsible for all HQS violations not listed as a family responsibility in Section G of this chapter, even if the violation is caused by the family's living habits (e.g. vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

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

#### **Abatement**

A Notice of Abatement will be sent to the owner, and the abatement will be effective from the day after the date of the failed inspection. The notice is generally for 30 days, depending on the nature of the repair(s) needed.

PMHA will inspect abated units within 3 days of the owner's notification that the work has been completed. If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection. The family AND owner will be notified of the reinspection date.

During the abatement period the family continues to be responsible for its share of rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

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

### **Reduction of Payments**

PMHA will grant an extension in lieu of abatement in the following cases:

- The owner has a good history of HQS compliance.
- The failed items are minor in nature.
- There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.
- The owner makes a good faith effort to make the repairs.
- The repairs are expensive (such as exterior painting or roof repair) and the owner needs time to obtain the funds.
- The repairs must be delayed due to climate conditions.

The extension will be made for a period of time not to exceed 30 days. At the end of that time, at PMHA's discretion, if the work is not completed [or substantially completed], PMHA will begin the abatement.

### **Termination of Contract**

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a Notice of Termination of HAP Contract.

Prior to the effective date of the termination, the abatement will remain in effect. The maximum length of time that a HAP contract may be abated is 30 days. If the owner completes corrections and notifies PMHA before the termination date of the HAP contract, PMHA may rescind the termination if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

If the family is responsible for repairs and fails to correct all deficiencies cited prior to termination effective date, the HAP contract will terminate when the family's assistance is terminated.

Only one Housing Quality Standards inspection will be conducted after the termination notice is issued.

**F. DETERMINATION OF RESPONSIBILITY** [24 CFR 982.404, 982.54(d)(14)]

Certain deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service.
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. “Normal wear and tear” is defined as items which could not be charged

against the tenant’s security deposit under state law or court practice.

The owner is responsible for all other HQS violations. The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. PMHA may terminate the family's assistance on that basis.

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

When failures that are not life threatening are identified, PMHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if emergency conditions are not corrected within 24 hours, and non-emergency conditions are not corrected within the specified time frame (or any PMHA-approved extension), the owner’s HAP will be abated. Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any PMHA-approved extension, if applicable) the family’s assistance will be terminated.

**G. CONSEQUENCES IF FAMILY IS RESPONSIBLE**

The family is only responsible for breaches of HQS which are caused by:

- non-payment of utilities paid by the family,
  - not providing, or failing to maintain, appliances not provided by the owner, and
  - damages to the unit or premises caused by a household member or guest beyond normal wear and tear. “Normal wear and tear” is defined as items which could not be charged
- against the tenant’s security deposit under state law or court practice.

If non-emergency violations of HQS are determined to be the responsibility of the family, PMHA will require the family make any repair(s) or corrections within 30 days. If the repair(s) or correction(s) are not made in this time period, PMHA will terminate assistance to the family.

Extensions in these cases must be approved by the Inspector. If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

If the owner makes a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

## **H. INITIAL HQS INSPECTION**

The Initial Inspection will be conducted to:

- Determine if the unit and property meet the HQS defined in this plan.
- Document the current condition of the unit as a basis to evaluate whether the future condition of the unit exceeds normal wear and tear.
- Document the information to be used for determination of rent-reasonableness.

PMHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the request for tenancy approval.

If the unit fails the initial Housing Quality Standards inspection, the owner will be advised to notify PMHA once repairs are completed. On an initial inspection, the owner will be given up to 30 days to correct the items noted as Fail, at the Inspector's discretion, depending on the amount and complexity of work to be done.

The owner will be allowed up to 2 reinspections for repair work to be completed. If the time period given by the Inspector to correct the repairs has elapsed, or the maximum number of failed reinspections has occurred, the family must select another unit.

### **Utilities**

If utility service is not available for testing at the time of the initial inspection, PMHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. PMHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed.

### **Appliances**

If the family is responsible for supplying the stove and/or refrigerator, PMHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before PMHA executes the HAP contract. PMHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

## **I. BIENNIAL HQS INSPECTION**

If an adult family member cannot be present on the scheduled date, the family should request that PMHA reschedule the inspection. PMHA and family will agree on a new inspection date that generally should take place within 5 business days of the originally scheduled date. PMHA may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, PMHA will automatically schedule a second inspection. The family will be advised that it is a family obligation to allow PMHA to inspect the unit. If the family misses two scheduled inspections without PMHA approval, PMHA will consider the family to have violated its obligation to make the unit available for inspection. This will result in termination of the family's assistance in accordance with Chapter 15 of this plan.

### **Rent Increases**

PMHA will conduct an inspection using the Housing Quality Standards and other standards approved in this administrative plan at least biennially, prior to the anniversary month of the contract. Rent increase requests in the voucher program will not be approved if the unit is in a failed condition.

### **J. SPECIAL/COMPLAINT INSPECTIONS**

If at any time the family or owner notifies PMHA that the unit does not meet Housing Quality Standards, the PMHA will conduct an inspection. PMHA may also conduct a special inspection based on information from third parties such as neighbors or public officials.

PMHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs. If the anniversary date is within 120 days of a special inspection, the special inspection will be categorized as biennial and all biennial procedures will be followed.

For non-emergency items, families and owners will be required to verify in writing that they have requested the other party to correct the HQS violation before PMHA schedules a special inspection.

### **K. QUALITY CONTROL INSPECTIONS**

Quality control inspections of a sample of units will be performed by a supervisor or other qualified person (e.g. Assistant Manager or other staff member trained to perform housing quality standards inspections). The purpose of quality control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS. The minimum sample size will be consistent with the sample size set forth in the Section 8 Management Assessment Program regulations.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

## **L. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT**

### **Extensions**

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

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis, but will not 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.

### **Re-inspections**

PMHA will conduct a re-inspection immediately following the end of the corrective period, or any PMHA approved extension.

The family and owner will be given reasonable notice of the re-inspection appointments. If the deficiencies have not been corrected by the time of the re-inspection, PMHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family. If PMHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, PMHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in the termination of the family's assistance. Where there are deficiencies that must be repaired by the owner and PMHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, the payments to the owner will be abated. Given the impact on the owner's payments a missed re-inspection has, PMHA encourages owners to coordinate with the tenant to ensure the inspector can gain entry for the re-inspection.

## **Chapter 11**

### **OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS**

#### **INTRODUCTION**

PMHA is responsible to ensure that the rents charged by owners are reasonable based upon objective comparables in the rental market. When the PMHA has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the voucher program. This chapter explains PMHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

#### **A. OWNER PAYMENT IN THE VOUCHER PROGRAM**

The maximum subsidy for each family is determined by the payment standard for the voucher size issued to the family, less 30% of the family's monthly-adjusted income. The actual subsidy level could be less if the family is required to pay the minimum Total Tenant Payment (10% of the family's monthly income).

The voucher size issued to the family is based on PMHA's subsidy standards. The payment standard for the family is based on the lesser of the payment standard for the voucher size issued and the payment standard for the unit selected.

The Housing Assistance Payment to the owner is the lesser of the subsidy described above or the rent charged by the owner.

#### **B. MAKING PAYMENTS TO OWNERS**

Once the HAP Contract is executed, PMHA begins processing payments to the landlord. The effective date and the amount of PMHA payment is communicated by computer entry to accounting. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Checks are disbursed by the Accounting Department to the owner each month.

Checks may be picked up by owner at PMHA. Checks will only be disbursed by the third business day of the month. Exceptions may be made with the approval of the Finance Manager in cases of hardship.

If a landlord requests stop payment to be issued on their HAP check(s), due to it being lost, stolen, damaged, destroyed or not received, PMHA may impose a stop payment fee equal to the bank charge. Requests for stop payments must be made in writing.

**C. RENT REASONABLENESS DETERMINATIONS** [24 CFR 882.106 (b), 982.4]

The rent to owner is limited only by rent reasonableness. The housing authority must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum family share at initial occupancy. At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, if the gross rent for the unit exceeds the applicable payment standard for the family, the family share may not exceed seventy (70) percent of the family's monthly adjusted income.

A rent reasonableness analysis will be conducted for a Section 8 unit when:

- a. A unit is first assisted by the Section 8 voucher program, AND the unit is not located in a development where equivalent units are already under lease in the same development; or
- b. A current participating landlord requests a rent increase above the annual adjustment factor.

PMHA will determine and document on a case-by-case basis that the approved rent:

- 1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and
- 2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least two comparable units will be used for each rent determination, one of which must be from the first category above if possible. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 60 calendar days.

The data for other unassisted units will be gathered from newspapers, Realtors, professional associations, inquiries of owners, market surveys, and other available sources. The market areas for rent reasonableness are neighborhoods within PMHA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

- Square footage
- Number of bedrooms
- Facilities
- Location
- Number of bathrooms
- Quality

Amenities  
Date built  
Unit type  
Management and maintenance services

PMHA maintains a notebook, which includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than 12 months old.

#### **D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM**

The payment standard is initially set by PMHA at 105% of the Fair Market Rent in effect at the time the Annual Contributions Contract for the first increment of voucher funding is approved by HUD. The payment standard is used to determine the maximum subsidy, which can be paid by PMHA on behalf of the family.

#### **E. ADJUSTMENTS TO PAYMENT STANDARDS**

Payment standards may be adjusted to increase Housing Assistance Payments in order to keep families' rents affordable. PMHA will not raise the payment standards so high that the number of families that can be assisted under available funding is substantially reduced. Nor will PMHA raise standards if the need is solely to make "high end" units available to voucher holders.

PMHA will review the payment standard annually to determine whether an adjustment should be made for some or all unit sizes. The payment standard will be reviewed according to HUD's requirements and this policy and if an increase is warranted, the payment standard will be adjusted within 80% of the current Fair Market Rent.

PMHA may use some or all of the measures below in making its determination whether an adjustment should be made to the payment standards.

##### **Assisted Families' Rent Burdens**

PMHA will review reports showing the percent of income used for rent by voucher families to determine the extent to which the rent burden is more than 45% of income.

##### **Availability of Suitable Vacant Units Below the Payment Standard**

PMHA will review its rent reasonableness database to determine whether there is an ample supply of units below the payment standard.

##### **Quality of Units Selected**

PMHA will review the quality of units selected by participant families before determining any change to the payment standard to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

### **PMHA Decision Point**

PMHA will review the quality and size of units where the rents to owner are above the payment standard by more than 25%. If more than 50% of families have selected above-average units or have selected larger units than the voucher size, PMHA may elect not to increase the payment standard or continue the analysis.

If the analysis continues, PMHA will divide those rents between contracts within the first year and after the first year. If the rents to owner are more than 25% above the average, in any bedroom size, PMHA will continue the analysis. If not, PMHA may elect not to increase the payment standard for certain bedroom sizes.

### **Rent to Owner Increases**

The HA may review a sample of the units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included. A comparison will then be made to the applicable annual adjustment factor to determine whether owner increases are excessive in relation to the published annual adjustment factor.

### **Rent Reasonableness Data Base/Average Contract Rents**

The HA will compare the payment standards to average rents in its rent reasonableness database and to the average contract rents by unit size. The payment standards should not exceed by more than 10% these amounts.

### **Lowering of the Payment Standard**

Statistical analysis may reveal the payment standard should be lowered, in which case, the payment standard should not be less than 80% of the current FMR. If the FMR is lowered, the payment standard may not exceed the FMR except in those cases where families are held harmless until they move to a different dwelling unit or have a change in family composition, which would affect their voucher size.

### **Financial Feasibility**

Before increasing the payment standard, PMHA may review the budget and the project reserve, to determine the impact projected subsidy increases would have on funding available for the program and number of families served. For this purpose, PMHA will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

### **File Documentation**

A file will be retained by PMHA for at least three years to document the analysis and findings to justify whether or not the payment standard was changed.

**F.**      **RENT ADJUSTMENTS** [24 CFR 882.108]

Owners may not request rent adjustments in the voucher program to be effective prior to the expiration of the first year of the lease. Rent adjustments are effective with a sixty-day notice to the family and a copy to PMHA. The PMHA will advise the family as to whether the rent is reasonable and shall approve or disapprove the rent increase.

**Q.**      **New Landlord Incentive Payment**

PMHA received permission to implement a new landlord incentive to encourage landlord participation with the Section 8 program; more specifically to allow the voucher holder to utilize their voucher at their property. PMHA will provide the new landlord a one-time additional incentive Housing Assistance Payment (HAP) of \$200.00 upon the execution of the HAP contract for the MTW tenant-based HCV participant.

A new landlord is defined as a landlord who has not rented to a voucher holder within the past two years. The landlord would not be eligible for the incentive HAP payment if the contract is executed for a transfer of unit with the same landlord, or if the contract is executed due to a lease renewal or change. Also, properties owned or managed by PMHA or any other PHA would be ineligible from the incentive HAP payment. The one time incentive HAP payment will be distributed with the first HAP payment of the eligible HAP contract.

## **Chapter 12**

### **RECERTIFICATIONS**

#### **INTRODUCTION**

HUD requires that PMHA recertify the income and household composition of all families at least biennially. In addition, PMHA is required to inspect the assisted unit at least biennially. These activities must be coordinated whenever possible to ensure that they are completed in accordance with the regulation. It is a HUD requirement that families report all changes in household composition, but PMHA decides what other changes must be reported, and the procedures for reporting them. This chapter defines PMHA's policy for conducting recertifications and explains the interim reporting requirements for families, and the standards for timely reporting.

#### **A. BIENNIAL ACTIVITIES** [24 CFR 882.212 (a), 887.355]

At a minimum, PMHA must conduct the following activities on a biennial basis; however, this does not preclude PMHA from conducting more frequently. These activities will be coordinated whenever possible:

1. Recertification of Income and Family Composition
2. HQS Inspection

PMHA produces a monthly listing of units under contract to ensure that timely reviews of contract rent, housing quality, and factors related to Total Tenant Payment can be made. Requests for rent adjustments and other monetary changes will be transmitted to the Financial Department. Biennial activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective.

Biennial inspections: See Chapter 10, "Housing Quality Standards and Inspections"

Rent Adjustments: See Chapter 11, "Owner Rents, Rent Reasonableness and Payment Standards"

#### **B. RECERTIFICATION/REEXAMINATION** [24 CFR 882.212 (a), 887.355]

For elderly and disabled households, at the discretion of the PMHA, the annual income verification of elderly and disabled households may be conducted once every three years. However, this does not preclude a tenant from requesting to have income re-verified at any time or PMHA from conducting more frequent recertifications, i.e. annually.

Families are required to be recertified at least biennially. At the first interim or annual certification on or after June 19, 1995, family members must report and verify their U.S. citizenship/eligible immigrant status.

When families move to another dwelling unit a recertification will be scheduled (unless a recertification has occurred in the last 120 days) and the anniversary date will be changed. Income limits are not used as a test for continued eligibility at recertification unless the family is moving under portability and changing their form of assistance.

### **Reexamination Notice to the Family**

PMHA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 90 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, PMHA will provide the notice in an accessible format. PMHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

The PMHA may require the participant(s) to visit the office for the purpose of conducting an annual recertification or may conduct the annual recertification by having the participant mail the required documents to the office. As a reasonable accommodation, the PMHA may conduct a home visit for the purpose of completing the annual recertification if the participant is disabled upon verification that the accommodation requested meets the need presented by the disability. Where the annual recertification is completed through the mail, at the request of the participant an in-office recertification interview will be scheduled.

The initial recertification notice must inform the family of the required documents and the deadline (or the date to appear at the PMHA office for the reexamination) for submitting all required documents and requested information.

If the family fails to respond to the initial/first notice, a second notice must be sent to the family informing them that they have failed to submit the required information for recertification. A second request and a copy of the previously sent notice must be sent to the family.

If the family fails to respond to the second notice a termination notice must be mailed to the family.

### **Collection of Information**

PMHA will allow the family to complete the recertification form. PMHA will require the family to complete a Personal Declaration Form prior to all recertification interviews.

### **Documents Required From the Family**

In the notification letter to the family, PMHA will include instructions for the family to provide the following:

- Documents to support any preference claims
- Documentation of income for all family members
- Documentation of liquid and non-liquid assets
- Documentation of any deductions/allowances
- Personal Declaration Form completed by head of household

### **Verification of Information**

PMHA will follow the verification procedures and guidelines described in this plan. Verifications for reexaminations must be less than 180 days old.

### **Tenant Rent Increases**

If tenant rent increases, a thirty day notice is mailed to the family prior to the anniversary date. If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

### **Tenant Rent Decreases**

If tenant rent decreases, it will be effective on the anniversary date. If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by PMHA.

### **C. REPORTING INTERIM CHANGES** [24 CFR 882.212 (b), 887.357]

HUD requires program participants to report all changes in household composition to the HA between biennial reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PMHA approval prior to all other additions to the household.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit. PMHA will conduct interim reexaminations in each of the following instances:

For families that qualify for the earned income disallowance (EID), an interim reexamination will be completed when the EID family's share of rent will change as a result of the increase. In all other cases, PMHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change in income or circumstances, since the last determination, that will result in a decrease in family income.

If a family reports a change in income that results in an increase in the family share of rent, PMHA will note the information in the tenant file, but will not conduct an interim reexamination.

If the family reports a change that would result in a decrease in the family share of rent, PMHA will conduct an interim reexamination.

If, at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), PMHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If, at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, PMHA will conduct an interim reexamination.

PMHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

### **Decreases in Income**

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. PMHA must calculate the change if a decrease in income is reported.

### **HA Errors**

If PMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

### **Other Interim Reporting Issues**

An interim reexamination does not affect the date of the annual recertification, except for interim reexaminations leading to a rent increase

In the following circumstances, PMHA may conduct the interim recertification by mail:

- Changes that will not result in a change in tenant rent or voucher size.
- Changes in income that are normal for the family, such as seasonal employment.
- As a reasonable accommodation when requested. (See Chapter 1, "Statement of Policies and Objectives")

Any changes reported by participants other than those listed in this section will be documented in the file by the staff person but will not be processed between regularly-scheduled annual recertifications.

#### **D. NOTIFICATION OF RESULTS OF RECERTIFICATIONS**

The HUD form 50058 will be completed and transmitted as required by HUD. The Notice of Rent Change is mailed to the owner and the tenant. Signatures are not required by PMHA. If the family disagrees with the rent adjustment they may request an informal hearing.

#### **E. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)**

##### **Standard for Timely Reporting of Changes**

PMHA requires that families report interim changes to PMHA within 30 days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within 30 days of the change.

An exception will be made for TANF recipients who obtain employment. In such cases, families will have to report within 5 business days of receipt of the Notice of Action from TANF that shows the full adjustment for employment income. If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

##### **Procedures when the Change is Reported in a Timely Manner**

PMHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change occurred. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

The change will not be made until the third party verification is received.

##### **Procedures when the Change is Not Reported by the Tenant in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the policy on conducting interim reexaminations set forth in this chapter becomes inapplicable. In cases where the interim change is not reported in a timely manner the following guidelines apply:

Increase in Tenant Rent will be effective retroactive to the first of the month after the required thirty-day notice period and the family will be liable for any overpaid housing assistance and may be required to sign a repayment agreement or make a lump sum payment.

Decrease in Tenant Rent will be effective on the first of the month following completion of processing by PMHA and not retroactively.

## **Procedures when the Change is Not Processed by PMHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by PMHA in a timely manner. In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by PMHA. If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

## **HA Errors**

If PMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

## **Other Interim Reporting Issues**

An interim reexamination does not affect the date of the annual recertification, except for interim reexaminations leading to a rent increase

In the following circumstances, PMHA may conduct the interim recertification by mail:

- Changes that will not result in a change in tenant rent or voucher size.
- Changes in income that are normal for the family, such as seasonal employment.
- As a reasonable accommodation when requested. (See Chapter 1, "Statement of Policies and Objectives")

Any changes reported by participants other than those listed in this section will be documented in the file by the staff person but will not be processed between regularly-scheduled annual recertifications.

## **F. REPORTING OF CHANGES IN FAMILY COMPOSITION**

[ 24 CFR 882.213, 887.359 (a)(b)]

All changes in family composition must be reported within 30 days of the occurrence.

## **Increases in Family Size**

Increases other than by birth, adoption or court-awarded custody must have the prior approval of the owner and PMHA. If an addition would result in overcrowding according to HQS maximum occupancy standards, PMHA will not approve an addition other than birth, adoption or court-awarded custody. PMHA will issue a larger voucher or put the family on the Transfer List. The HA will issue a larger voucher (if needed under the Subsidy Standards) for additions to the family in the following cases:

- Addition by marriage/or marital-type relation

- Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- Addition of a PMHA-approved live-in attendant.
- Addition of any relation of the Head or Spouse.
- Addition due to birth, adoption or court-awarded custody.

Families who need a larger voucher because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size. If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in voucher shall be made effective immediately. The PMHA may determine whether to issue a voucher in this instance based on funding availability. If there is no funding availability in either program, the family will be placed on the Transfer List.

**G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES**  
[ 24 CFR 812.10 (c)]

Under the Noncitizen's Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. "Mixed" families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

1. The head of household or spouse is a U.S. citizen or has eligible immigrant status;

AND

2. All members of the family other than the head, the spouse, parents of the head, parents of the spouse, and children of the head or spouse are citizens or eligible immigrants. The family may change the head of household to qualify under this provision.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, the family may choose prorated assistance (See Chapter 6, "Factors Related to Total Tenant Payment Determination"), or PMHA may offer temporary deferral of termination (See Chapter 15, "Denial or Termination of Assistance").

**H. TIME LIMITS**

Effective April 1, 2018 all program participants are no longer subject to time limitations.

**I. CHANGE IN SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME (SSI) PROCESSING**

Annual Social Security and SSI Cost-of-Living Adjustments (COLA) that results in an increase in a program participant's income will not be processed until the household's next annual reexamination effective date. Program participants will not be required to report this income to PMHA until the household's annual reexamination.

This process will not be used for HCV program applicants who are processing for initial eligibility, or for other circumstances where eligibility for a new HCV voucher is required (i.e. unit changes).

## **Chapter 13**

### **MOVES WITH CONTINUED ASSISTANCE/PORTABILITY**

#### **INTRODUCTION**

HUD regulations permit families to move with continued assistance to another unit within the HA's jurisdiction, or to a unit outside of PMHA's jurisdiction under portability procedures. The regulations also allow PMHA the discretion to develop policies which define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of, PMHA's jurisdiction, and the policies for restriction and limitations on moves.

#### **A. ALLOWABLE MOVES**

A family may move to a new unit if:

1. The assisted lease for the old unit has terminated because PMHA has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
2. The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
3. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner).

#### **B. RESTRICTIONS ON MOVES** [24 CFR 982.314, 982.552]

Families will be permitted to move within PMHA's jurisdiction during the initial year of assisted occupancy. Families will not be permitted to move more than once in a 12-month period.

The PMHA will deny permission to move if there is insufficient funding for continued assistance. The PMHA will deny permission to move to if:

- The family has violated a Family Obligation.
- The family owes PMHA money.

Assistance will be terminated for participating families who owe PMHA money, unless the family makes a down payment towards the assessment owed and signs a repayment agreement for the balance owed. Payments under the repayment agreement must be current at recertification in order to move to another unit.

The Housing Programs Manager may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

### **C. PROCEDURE FOR MOVES**

#### **Issuance of Voucher**

If the family has not been recertified within the last 120 days, PMHA will issue the voucher to move after conducting the recertification. If the family does not locate a new unit, they may remain in the current unit so long as the owner permits. The annual recertification date will be changed to coincide with the new lease-up date.

#### **Notice Requirements**

Briefing sessions emphasize the family's responsibility to give the owner and PMHA proper written notice of any intent to move. The family must give the owner the required number of days written notice of intent to vacate specified in the lease and must give a copy to PMHA simultaneously.

#### **Time of Contract Change**

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance. In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease mid-month. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

### **D. PORTABILITY** [24 CFR 982.353]

Portability applies to families moving out of or into a housing authority's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the initial housing authority's jurisdiction. The unit may be located:

1. In the same state as the initial housing authority;
2. In the same metropolitan statistical area (MSA) as the initial housing authority, but in a different state;
3. In an MSA adjacent to the MSA of the initial housing authority, but in a different state.
4. In the jurisdiction of a housing authority anywhere within the United States that administers a tenant based program.

## **E. OUTGOING PORTABILITY** [24 CFR 982.353, 982.355]

When a family requests to move to outside of PMHA's jurisdiction, the request must specify the area to which the family wants to move. If the family is moving to a unit located in the same state as the initial housing authority, in the same MSA, but in a different state, or in an adjacent MSA in a different state, and there is not a housing authority in the area where the unit is located, the initial housing authority will be responsible for the administration of the family's assistance. The housing authority will choose a management company, another housing authority or a private contractor to administer the assistance. If there is more than one housing authority in the area in which the family has selected a unit, the PMHA will choose the receiving housing authority.

### **Restrictions on Portability**

1. Families will not be permitted to exercise portability during the initial 12 month period after admission to the program, if neither the head or spouse had a domicile (legal residence) in the HA's jurisdiction at the date of their initial application for assistance unless the receiving and initial HA agree to allow the move.
2. If the family is in violation of a family obligation.
3. If the family owes money to PMHA.

### **Outgoing Portability Procedures**

The PMHA will provide pre-portability counseling for those families who express an interest in portability. If the family is utilizing portability for their initial lease-up, PMHA will determine if the family is within the very low income limit of the receiving housing authority. If the receiving housing authority will absorb and the family will be changing its form of assistance, PMHA will determine if the family is within the low income limit of the receiving housing authority, and advise the family accordingly.

PMHA will notify the receiving housing authority that the family wishes to relocate into its jurisdiction. PMHA will advise the family how to contact and request assistance from the receiving housing authority. PMHA will notify the receiving housing authority that the family will be moving into its jurisdiction.

PMHA will provide the following documents and information to the receiving housing authority:

1. A copy of the family's voucher, with issue and expiration dates formally acknowledging the family's ability to move under portability
2. The most recent HUD 50058 form
3. Current information related to eligibility
4. Persons designated for inquiries on eligibility and billing
5. The Administrative Fee Schedule for billing purposes.

The receiving housing authority must notify PMHA within 30 days of the following:

- The receiving housing authority decides to absorb the family into their own program.

- The family leases up or fails to submit a Request for Tenancy Approval by the required date.
- Assistance to a portable family is terminated by the receiving housing authority.
- The family requests to move to an area outside the receiving housing authority's jurisdiction.

### **Payment to the Receiving Housing Authority**

PMHA will requisition funds from HUD based on the anticipated lease-ups of portable vouchers in other housing authority jurisdictions. Payments for families in other jurisdictions will be made to other housing authorities when billed or in accordance with other HUD-approved procedures for payment.

When billed, PMHA will reimburse the receiving housing authority for 100% of the Housing Assistance Payment, 100% of the Special Claims paid on HAP contract effective prior to October 2, 1995, and 80% of the Administrative Fee (at the initial HA's rate), and any other HUD-approved fees.

### **Claims**

The PMHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring the repayment. PMHA will notify the receiving housing authority if the family is in arrears or if the family has refused to sign a repayment agreement, and the receiving housing authority will be asked to terminate assistance to the family as allowed by this administrative plan. Receiving housing authorities will be required to submit hearing determinations to PMHA within 30 days.

## **F. INCOMING PORTABILITY** [24 CFR 982.354, 982.355]

### **Absorption or Administration**

PMHA will accept a family with a valid certificate/voucher from another jurisdiction and administer or absorb the voucher. If absorbing, the family will be issued a "Portability" Voucher by PMHA with the same start date. PMHA may grant extensions in accordance with this administrative plan. When the receiving housing authority does not absorb the incoming voucher, it will administer the initial housing authority's voucher and the receiving housing authority's policies will prevail.

For initial lease-up, the family must be within PMHA's Very-Low Income limits. For participants, PMHA may issue either a voucher but if the form of assistance changes, the family must be within PMHA's Low Income limits. If the family is ineligible under the receiving housing authority's low income limit because the form of assistance offered causes the family to change programs, the receiving housing authority must absorb the family without a change in the form of assistance, or administer the family's current form of assistance.

PMHA will issue a "Portability Voucher" according to its own subsidy standards. If the family has a change in family composition which would change the certificate or voucher size, the HA will change to the proper size based on its own subsidy standards.

PMHA will decide whether to extend the "Portability Voucher" and for what period of time. PMHA's policy on suspensions will apply. However, if the family decides not to lease-up in the PMHA jurisdiction, the family must request an extension from the Initial housing authority. For Old Rule contracts, the housing authority's unpaid rent, damage and vacancy loss claim policies prevail.

### **Income and TTP of Incoming Portables**

As receiving housing authority, PMHA will conduct a recertification interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family's circumstances. If the family's income exceeds the income limit of the PMHA, the family will not be denied assistance unless the family is an applicant (and over the Very-Low Income Limit). If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in PMHA's jurisdiction, the PMHA will refuse to enter into a contract on behalf of the family at \$0 assistance.

### **Requests for Tenancy Approval**

When the family submits a Request for Tenancy Approval, it will be processed using PMHA's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the initial housing authority will be notified within 30 days by PMHA. If PMHA denies assistance to the family, the PMHA will notify the initial housing authority within 30 calendar days and the family will be offered a review or hearing.

If the family leases up successfully, PMHA will notify the initial housing authority within 30 calendar days, and the billing process will commence. PMHA will notify the family of its responsibility to contact the initial housing authority if the family wishes to move outside the PMHA's jurisdiction under continued portability.

### **Terminations**

PMHA will notify the initial housing authority in writing of any termination of assistance within 30 days of the termination. If an Informal Hearing is required and requested by the family, the hearing will be conducted by PMHA, using the regular hearing procedures included in this plan. A copy of the hearing decision will be furnished to the initial housing authority.

The initial housing authority will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial housing authority notifies PMHA that the

family is in arrears or the family has refused to sign a repayment agreement, PMHA will terminate assistance to the family.

### **Required Documents**

As receiving housing authority, PMHA will require the following documents from the initial housing authority:

1. A copy of the family's certificate or voucher, with issue and expiration dates formally acknowledging the family's ability to move under portability
2. The most recent HUD 50058 form
3. Current information related to eligibility
4. Persons designated for inquiries on eligibility and billing
5. The Administrative Fee Schedule for billing purposes

### **Billing Procedures**

As receiving housing authority, PMHA will bill the initial housing authority monthly for Housing Assistance Payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial housing authority. PMHA will bill 100% of the Housing Assistance Payment, 100% of Special Claims and 80% of the Administrative Fee (at the initial housing authority's rate) and any other HUD-approved fees, for each "Portability" Certificate/Voucher leased as of the first day of the month. PMHA will notify the initial housing authority of changes in subsidy amounts and will expect the initial housing authority to notify PMHA of changes in the Administrative Fee amount to be billed.

## **Chapter 14**

### **CONTRACT TERMINATIONS**

#### **INTRODUCTION**

The Housing Assistance Payments (HAP) Contract is the contract between the owner and the housing authority which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by the PMHA and the owner, and the policies and procedures for such terminations.

#### **A. CONTRACT TERMINATION**

The term of the HAP contract is the same as the term of the lease. The contract between the owner and PMHA may be terminated by the housing authority, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by PMHA to the owner after the month in which the contract is terminated. The owner must reimburse PMHA for any subsidies paid by the PMHA for any period after the contract termination date.

If the family continues to occupy the unit after the Section 8 contract is terminated, the family is responsible for the total amount of rent due to the owner.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

#### **B. TERMINATION BY THE FAMILY: MOVES** [24 CFR 982.314 (c)(2)]

The lease stipulates that the family cannot move from the unit until after the first year of the lease. The notice period to the landlord is determined by the lease, but may not exceed 60 days.

#### **C. TERMINATION BY THE OWNER: EVICTIONS** [24 CFR 982.310, 982.455]

If the owner wishes to terminate the lease, the owner may do so following the notice procedures in the HUD regulations and State/local law. The owner must provide PMHA with a copy of notices to the tenant.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

The contract and lease require that the owner may only evict for the following reasons:

1. Serious or repeated violation of the terms and conditions of the lease,
2. Violation of Federal, State or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises,
3. Other good cause, including:
  - Criminal activity or alcohol abuse by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents (including property management staff residing on the premises), or persons residing in the immediate vicinity of the premises.
  - Any drug-related criminal activity on or near the premises,
  - Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.
4. Other good cause, after the first year of the lease, includes:
  - Business or economic reason for regaining possession of the unit;
  - Owner's desire to repossess the unit for personal use;
  - Tenant's refusal to accept offer of a new lease.
  - Owner's desire to obtain a higher rent than PMHA will approve.

The eviction notice must specify the cause for the eviction.

Housing assistance payments are paid to the owner under the terms of the HAP Contract. If the owner has begun eviction and the family continues to reside in the unit, PMHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. PMHA will continue housing assistance payments until the family moves or is evicted from the unit. If the action is finalized in court, the owner must provide PMHA with the documentation, including notice of the lock-out date.

The PMHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from PMHA, the owner certifies that the tenant is still in the unit and s/he is in compliance with the contract.

If the eviction is not due to a serious or repeated violation of the lease, and if PMHA has no other grounds for termination of assistance, the PMHA will issue a new voucher so that the family can move with continued assistance.

**D. TERMINATION OF THE CONTRACT BY PMHA**

[24 CFR 982.404 (a), 982.453, 982.454, 982.552 (a)(3)]

The term of the HAP contract terminates when the lease terminates, when PMHA terminates program assistance for the family, and when the owner has breached the HAP contract.

Any of the following actions will be considered a breach of contract by the owner:

1. The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit to HQS standards, including any standards PMHA has adopted in this policy.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
3. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
4. The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
5. The owner has engaged in drug trafficking.

PMHA may also terminate the contract if:

- PMHA terminates assistance to the family.
- The family is required to move from a unit overcrowded
- Funding is no longer available under the ACC.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

**Notice of Termination**

PMHA will provide the owner and family with at least thirty days written notice of termination of the contract.

**E. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS**

[24 CFR 812.9]

For families who were participants on June 19, 1995, terminations due to the ineligible immigration status of all members of the family, or because a "mixed" family chooses not to accept proration of assistance, may be temporarily deferred for intervals not to exceed six months (up to a maximum of three years) if necessary to permit the family additional time for transition to affordable housing.

The family will be notified in writing at least 60 days in advance of the expiration of the deferral period that termination of assistance will not be deferred because:

- a) granting another deferral will result in an aggregate deferral period of longer than three years, or
- b) a determination has been made that other affordable housing is available.

**F. TERMINATION DUE TO OWNER DISAPPROVAL** [24 CFR 982.453]

If PMHA terminates the contract due to owner disapproval (See Chapter 9, "Requests for Tenancy Approval and Contract Execution"), the PMHA will provide the owner and family with at least thirty days written notice of termination of the contract.

**G. TERMINATION OF HAP CONTRACTS DUE TO INSUFFICIENT FUNDING**  
[24CFR 982.454]

The PMHA reserves the right to terminate the HAP contract if PMHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families currently assisted under the program.

If PMHA determines that funding is insufficient to support units currently under HAP contract, the PMHA will inform the local HUD field office prior to terminating any HAP contracts.

In the event that the PMHA determines that the Agency has insufficient funds to make HAP payments for all of its current participants, HAP contracts will be terminated as follows:

The PMHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PMHA's annual budget authority.

HAP contracts will be terminated on a first issued, first terminated basis.

The number of HAP contracts that will be terminated at any given time will be at the sole discretion of the PMHA. Termination notices will be sent to both the Section 8 owner and tenant no less than 60 days prior to the effective date of the termination.

Until all non-elderly and non-disabled households are terminated, elderly and disabled households are exempt from termination due to insufficient funding.

PMHA will maintain a separate waiting list of all participants whose HAP contracts were terminated due to insufficient funding. At such time as PMHA determines there is enough funding to re-issue vouchers to these families, vouchers will be re-issued on a first terminated, first issued basis. Re-issuance of assistance to participants terminated due to insufficient funds is at the sole discretion of the PMHA. Families will be subject to a full eligibility-determination prior to the re-issuance of the voucher.

## **Chapter 15**

### **DENIAL OR TERMINATION OF ASSISTANCE**

#### **INTRODUCTION**

The PMHA may deny or terminate assistance for a family because of the family's action or failure to act. The PMHA will provide families with a written description of the Family Obligations under the program, the grounds under which PMHA can deny or terminate assistance, and PMHA's informal hearing procedures. This chapter describes when the housing authority is required to deny or terminate assistance, and the PMHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

#### **A. GROUND FOR DENIAL/TERMINATION** [24 CFR 982.552, 982.553]

If denial or termination is based upon behavior resulting from a disability, the PMHA will delay the denial or termination in order to determine if there is an accommodation which would meet the negate the behavior resulting from the disability.

#### **Form of Denial/Termination**

Denial of assistance for an applicant may include any or all of the following:

1. Denial for placement on the PMHA waiting list
2. Denying or withdrawing a voucher
3. Refusing to enter into a HAP contract or approve a lease
4. Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a lease
2. Terminating housing assistance payments under an outstanding HAP contract
3. Refusing to process or provide assistance under portability procedures

#### **Mandatory Denial and Termination** [24CFR 982.552 (10)(d)]

PMHA must deny assistance to applicants, and terminate assistance for participants:

1. If any member of the family fails to sign and submit HUD or PMHA required consent forms for obtaining information.
2. If no member of the family is a U.S. citizen or eligible immigrant.

3. If the family is under contract and 180 days have elapsed since PMHA's last housing assistance payment was made.
4. If any household member's federally assisted housing tenancy has been terminated for drug-related criminal activity, PMHA must deny admission for 3 years from date of termination of tenancy.
5. If any household member is currently engaged in any illegal use of a drug or a pattern of illegal drug use.
6. If any household member has ever been convicted of drug-related criminal activity the manufacture or production of methamphetamine on the premises of federally assisted housing.
7. If any household member is subject to a lifetime sex offender registration requirement under a state program.
8. If PMHA determines that it has reasonable cause to believe that a household member's abuse of alcohol may threaten the health, safety or peaceful enjoyment of the premises by other residents.
9. If any household member is currently engaged in the illegal use of a drug, where there is reasonable cause to believe that a household member's pattern of illegal drug use may threaten the health, safety or right to enjoyment of the premises by other residents.
10. If any family member fails to meet the following eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR § 5.612:
  - a) Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);
  - b) Is under 24 years of age;
  - c) Is not a veteran of the United States Military;
  - d) Is unmarried;
  - e) Does not have a dependent child; and
  - f) Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the 1937 Housing Act.

**Grounds for Denial or Termination of Assistance** [24CFR 982.552 (b)]

PMHA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551.
2. Any member of the family has been evicted from federally assisted housing in the last three years.
3. The family currently owes rent or other amounts to PMHA or to another housing authority in connection with Section 8 or public housing assistance under the 1937 Act.
4. The family has not reimbursed any housing authority 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.
5. The family breaches an agreement with a housing authority to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority.
6. The family has engaged in or threatened abusive or violent behavior toward PMHA personnel. "Abusive or violent behavior towards PMHA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence. Actual physical abuse or
7. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with Section 8 or public housing under the 1937 Act.
8. Failure to fulfill the obligations and conditions of the FSS contract is grounds for termination of assistance. PMHA may terminate the assistance for FSS families who fail to comply with the FSS Contract of Participation without good cause.
9. If any member of the family commits drug-related criminal activity, or violent criminal activity, as stipulated by the PMHA's policies on SCREENING and EVICTION for DRUG ABUSE and OTHER CRIMINAL ACTIVITY. (See Section B)

**B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

**HUD DEFINITIONS**

*Covered Person*, for purposes of this chapter, means a tenant, any member of the tenant's household, a guest on another person under tenant's control.

*Drug* means a controlled substance as defined in section 102 of the controlled substances act (21 U.S.C. 802).

*Drug-related criminal activity* is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance. Drug-related criminal activity means *on or off the premises, not just on or near the premises*.

*Guest*, for purposes of this chapter means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

*Household*, means the family and PHA-approved live-in aide.

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

*Violent criminal activity* includes 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.

**Ineligibility if Evicted for Drug-Related Activity**

Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to the Section 8 program for a minimum three-year period beginning on the date of such eviction.

PMHA may waive this requirement if:

- The person demonstrates successful completion of a rehabilitation program approved by PMHA, or
- The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated.

Applicants may be denied assistance if they have been arrested/convicted/evicted from a unit due to violent criminal activity within the last 3 years prior to the date of the certification interview.

Participants may be terminated who have been arrested/convicted/evicted from a unit due to drug-related or violent criminal activity within the last 3 years prior to the date of the notice to terminate assistance, and whose activities have created a disturbance in the building or neighborhood.

If a participating family violates the lease for drug-related or violent criminal activity, PMHA may terminate assistance. In appropriate cases, PMHA may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, PMHA may consider individual circumstances with the advice of Juvenile Court officials.

#### Screening Out Illegal Drug Users and Alcohol Abusers

PMHA will prohibit admitting any person to the Section 8 program in cases where PMHA determines that there is reasonable cause to believe that the person is illegally using a controlled substance, or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. This includes cases where PMHA determines that there is a *pattern* of illegal use of a controlled substance, or *pattern* of alcohol abuse.

The PMHA will consider the use of a controlled substance or alcohol to be a *pattern* if there is more than one incident during the previous twelve months. PMHA may waive this policy if the person demonstrates to the PMHA's satisfaction that the person is no longer engaging in the illegal use of a controlled substance or abuse of alcohol, and:

- Has successfully completed a supervised drug or alcohol rehabilitation program;
- Has otherwise been rehabilitated successfully; or
- Is participating in a supervised drug or alcohol rehabilitation program.

#### Prohibition Against Assisting Sex-Offenders

PMHA will deny assistance to any household that contains a member who is subject to a lifetime registration requirement under the state sex-offender registration program. Before an adverse action is taken with respect to an applicant or participant, PMHA will provide the family with a copy of the registration information and an opportunity to dispute the accuracy and relevance of that information.

#### Confidentiality of Criminal Records

PMHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

ALL criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance.

If the family is determined eligible for initial or continued assistance, the criminal report shall be shredded not later than five (5) business days after the date on which the PMHA gives final approval to an applicant for admission.

If the family's assistance is denied or terminated, the criminal record information shall be shredded in a timely manner after the date on which the statute of limitations for the commencement of a civil action from the applicant based upon the denial of admission has expired or two (2) years, whichever is later. The PMHA will document in the family's file the circumstances of the criminal report and the date the report was destroyed.

#### Disclosure of Criminal Records to Family

Before PMHA takes any adverse action based on a criminal conviction record, the applicant or tenant will be provided with a copy of the criminal record and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal hearing. Tenants may contest such records at the court hearing in the case of evictions.

#### Required Evidence

*Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants. The PMHA may pursue fact-finding efforts as needed to obtain credible evidence.

The PMHA will terminate assistance for criminal activity by a household member if the PMHA determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

The PMHA may terminate assistance for criminal activity by a household member under this section if the PMHA has determined that the household member has engaged in the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

### **Notice of Termination of Assistance**

In any case where PMHA decides to terminate assistance to the family, PMHA must give the family written notice that states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The family's right, if they disagree, to request an informal hearing to be held before termination of assistance.
- The date by which a request for an informal hearing must be received by PMHA.

PMHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

### **C. FAMILY OBLIGATIONS** [24 CFR 982.551]

1. The family must supply any information that PMHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812). "Information" includes any requested certification, release or other documentation.
2. The family must supply any information requested by PMHA 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 (as provided by 24 CFR part 750) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813.
4. All information supplied by the family must be true and complete.
5. The family is responsible for an HQS breach caused by the family as described in 982.404(b).
6. The family must allow PMHA to inspect the unit at reasonable times and after reasonable notice.
7. The family may not commit any serious or repeated violation of the lease.
8. The family must notify the owner and, at the same time, notify PMHA before the family moves out of the unit or terminates the lease on notice to the owner.
9. The family must promptly give PMHA a copy of any owner eviction notice.
10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

11. The composition of the assisted family residing in the unit must be approved by PMHA. The family must promptly inform PMHA of the birth, adoption or court-awarded custody of a child. The family must request PMHA approval to add any other family member as an occupant of the unit.
12. The family must promptly notify PMHA if any family member no longer resides in the unit.
13. If PMHA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or PMHA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
14. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.
15. The family must not sublease or let the unit.
16. The family must not assign the lease or transfer the unit.
17. The family must supply any information or certification requested by PMHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PMHA-requested information or certification on the purposes of family absences. The family must cooperate with PMHA for this purpose. The family must promptly notify PMHA of absence from the unit.
18. The family must not own or have any interest in the unit.
19. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
20. The members of the family may not engage in drug-related criminal activity or violent criminal activity.
21. 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.

### **Housing Authority Discretion**

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, PMHA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

PMHA 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. PMHA may permit the other members of a family to continue in the program.

### **Enforcing Family Obligations**

#### **Explanations and Terms**

The term "promptly" when used with the Family Obligations always means "within 5 business days." Denial or termination of assistance is always optional except where this plan or the regulations state otherwise.

#### **HQS Breach**

The inspector will determine if an HQS breach as identified is the responsibility of the family. Families may be given extensions to cure HQS breaches by Section 8 Coordinator

#### **Lease Violations**

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

If the owner terminates tenancy through court action for serious or repeated violation of the lease, assistance will be terminated.

If the owner notifies the family of termination of tenancy for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the PMHA determines that the cause is a serious or repeated violation of the lease based on available evidence.

If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations and the family moves from the unit prior to the completion of court action, and

If there are police reports, neighborhood complaints or other third party information that has been verified by the PMHA.

Non-payment of rent is considered a serious violation of the lease.

Incidents of actual or threatened domestic violence, dating violence or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victims of such violence, unless the landlord can demonstrate an actual and

imminent threat to other tenants or to persons employed at or providing services to the property if the victim's tenancy is not terminated.

An owner may bifurcate the lease to terminate assistance to remove a lawful occupant or tenant who engages in criminal acts of violence to family members or others without terminating assistance to victimized lawful occupancies.

#### Notification of Eviction

If the family requests assistance to move and they did not notify PMHA of an eviction within 5 business days of receiving the Notice of Lease Termination, the move will be denied.

#### Proposed Additions to the Family

THE PMHA will deny a family's request to add additional family members who are:

1. Persons who have been evicted from federally assisted housing in the last three years.
2. Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations.
3. Persons who have been part of a family whose assistance has been terminated under the certificate or voucher program.
4. Persons who commit drug-related criminal activity or violent criminal activity.
5. Persons who do not meet the PMHA's definition of family.
6. Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
7. Persons who currently owe rent or other amounts to PMHA or to another housing authority in connection with Section 8 or public housing assistance under the 1937 Act.
8. Persons who have engaged in or threatened abusive or violent behavior toward PMHA personnel.

#### Family Member Moves Out

Families are required to notify PMHA if any family member leaves the assisted household. When the family notifies PMHA, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent.

#### Limitation on Profit-making Activity in Unit

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business that is not available for sleeping, it will be considered a violation. If PMHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit.

#### Interest in Unit

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family.

#### Fraud

In each case, PMHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members. In the event of false citizenship claims, PMHA will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

### **D. PROCEDURES FOR NON-CITIZENS** [24 CFR 812.9 (c)(d), 812.10 (d)]

#### **Termination due to Ineligible Immigrant Status**

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending. Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated. They must be given an opportunity for a hearing.

#### **Temporary Deferral of Termination of Assistance**

Ineligible families who were participants as of June 19, 1995, may request a temporary deferral of termination of assistance in order to allow time to locate affordable housing and thereby preserve the family.

Temporary deferral of termination of assistance is also available to mixed families who were participants on June 19, 1995, who elect not to accept prorated assistance, and are not eligible for Continued Assistance. (See Chapter 14, "Contract Terminations.") The PMHA must allow the mixed family time to find housing for ineligible members or for the entire family by deferring the termination.

Mixed families who choose temporary deferral of termination of assistance may change to prorated assistance at the end of any deferral period, if they have made a good-faith effort to locate housing.

#### **Criteria for Approving Temporary Deferral of Termination of Assistance**

PMHA will grant temporary deferral so long as the family makes reasonable efforts to find affordable housing. Affordable housing is defined as housing that is standard based on HQS, of appropriate size based on HQS, and for which the rent plus utilities is no more than 25% greater than the PMHA-calculated Total Tenant Payment.

To determine whether a family is eligible for temporary deferral of termination of assistance, or for a renewal of temporary deferral of termination of assistance, PMHA will calculate Total Tenant Payment plus 25% for the family, and compare this amount to the data in its rent reasonableness survey for the unit size. If PMHA's data indicates that units are not available at the affordable rent, the deferral will be renewed.

If PMHA determines that the vacancy rate for affordable housing is less than 5% in its jurisdiction, it will accept a written statement from the family that they have been unable to find affordable housing. The PMHA will also require a search record to document the family's efforts to locate housing before granting or extending temporary deferral of termination of assistance.

The initial deferral interval shall be granted on the family's request. Subsequent requests for deferral shall be granted on the basis of the family's statement that they are making efforts to find affordable housing.

### **Length of Deferral**

The initial temporary deferral is granted for an interval not to exceed six months. Additional deferrals can be made up to a maximum of three years. A notice is sent to the family at the beginning of each deferral period reminding them of their ineligibility for full assistance and their responsibility to seek other housing.

The family will be notified in writing sixty days before the end of the three year maximum deferral period that there cannot be another deferral, and will be offered the option of prorated assistance if they are a mixed family and have made a good-faith effort to locate affordable housing.

### **False or Incomplete Information**

When PMHA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, PMHA may give him/her an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The PMHA will then verify eligible status, deny, terminate, or prorate as applicable. PMHA will deny or terminate assistance based on the submission of false information or misrepresentations.

## **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with PMHA either after the INS appeal or in lieu of the INS appeal.

After PMHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable) or, for participants who qualify, for temporary deferral of Termination of Assistance.

### **E. ZERO-ASSISTANCE FAMILIES**

For contracts that were effective prior to September 1, 2014, the participant will be notified of the right to remain on the program at \$0 assistance for 6 months. The family will also be advised to contact PMHA with any changes to the household composition or income that may impact the subsidy. If there are no reported changes to the household income or composition and the family remains in the unit after the 6 months the assistance will be terminated. Those families at \$0 assistance and on the program prior to September 1, 2014 will be eligible to receive additional time to the original 6 month time period up to a total of 12 months at \$0 assistance.

For contracts effective after September 1, 2014, the participant will be notified of the right to remain on the program at \$0 assistance for 12 months. The family will also be advised to contact PMHA with any changes to the household composition or income that may impact the subsidy. If there are no reported changes to the household income or composition and the family remains in the unit after the 12 months, the assistance will be terminated.

Families are permitted to self-certify their income and no independent verifications are necessary for \$0 assistance families until the assistance is terminated.

### **F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION** [24 CFR 982.551, 982.552 (c)]

If the family has misrepresented any facts that caused PMHA to overpay assistance, PMHA may choose not to terminate and may offer to continue assistance provided that the family executes a repayment agreement and makes payments in accordance with the agreement or reimburses the housing authority in full.

**G. MISREPRESENTATION IN COLLUSION WITH OWNER**  
[24 CFR 982.551, 982.552 (c)]

If the family is willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, PMHA will deny or terminate assistance. In making this determination, PMHA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

**H. MISSED APPOINTMENTS AND DEADLINES** [24 CFR 982.551, 982.552 (c)]

It is a Family Obligation to supply information, documentation, and certification as needed for the PMHA to fulfill its responsibilities. The housing authority schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow PMHA to inspect the unit and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying PMHA may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the housing authority to inspect the unit.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

1. Eligibility for admissions
2. Verification procedures
3. Voucher issuance and briefings
4. Housing Quality Standards and Inspections
5. Recertification
6. Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

Medical emergency  
Incarceration  
Family emergency

**Procedure when Appointments are Missed or Information not Provided**

For most purposes in this plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing, the notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance.

## **Chapter 16**

### **OWNER DISAPPROVAL AND RESTRICTION**

#### **INTRODUCTION**

It is the policy of the PMHA to recruit owners to participate in the program, and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PMHA. The regulations define when PMHA must disallow an owner participation in the program, and they provide PMHA discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

#### **A. DISAPPROVAL OF OWNER** [24 CFR 982.306, 982.54 (d)(8)]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

PMHA may disapprove the owner for the following reasons:

- HUD or other agency directly related has informed PMHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed PMHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed PMHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- The owner has engaged in drug trafficking.
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet local housing codes.

- The owner has not paid State or local real estate taxes, fines or assessments.

**B. OWNER RESTRICTIONS AND PENALTIES** [24 CFR 982.302 (a)(8), 982.453]

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, PMHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The PMHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner the PMHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations. The PMHA guidelines for restrictions are contained in the table below:

**DISAPPROVAL OF OWNERS/PARTICIPATION RESTRICTIONS  
BREACH**

HUD notification of owner debarment/suspension	<b>Penalty</b> <u>Termination</u>
HUD notification of violation of fair housing/federal equal opportunity	<u>Termination</u>
Violation of contract obligations	<u>Termination</u>
Owner fraud, bribery or other corrupt act in federal housing program	<u>Termination</u>
Owner engaged in drug trafficking	<u>Termination</u>
History of noncompliance with HQS	<u>Termination</u>
History of renting units below code	<u>Termination</u>
State/local real estate taxes, fines or assessments	<u>Termination</u>

**C. OTHER REMEDIES FOR OWNER VIOLATIONS**

**Overpayments**

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the contract, PMHA may terminate the contract and arrange for restitution to PMHA and/or family as appropriate. PMHA will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited in order to repay the PMHA or the tenant, as applicable.

## **Chapter 17**

### **DAMAGE CLAIMS, MOVE-OUT AND CLOSE-OUT INSPECTIONS**

#### **INTRODUCTION**

This chapter describes PMHA's policies, procedures and standards for processing damage claims.

#### **A. OWNER CLAIMS**

There is a special limited damage claims provision available under the Portage HOPES program. Owners may make a "HOPES damage claim" for damages and unpaid rent after the tenant has vacated the unit by obtaining a court judgment against the tenant and providing PMHA with proof that the judgment exceeds the tenant's security deposit. PMHA's maximum liability will be one month's rent. This damage claim provision is applicable to all voucher HAP contracts executed between October 3, 1995 and January 2, 2008. For voucher HAP contracts executed after January 2, 2008, PMHA will not pay for any tenant damages or unpaid rent to owners of housing units leased under the voucher program.

#### **B. UNPAID RENT** [24 CFR 887.215, 882.112 (d)]

Unpaid rent only applies to the tenant's portion of rent while the tenant is in residence under the assisted lease. It does not include the tenant's obligation for rent beyond the termination date of the HAP contract. Separate agreements are not considered a tenant obligation under the lease and PMHA will not reimburse the owner for any claims under these agreements.

#### **C. PROCESSING CLAIMS**

In the event that a unit becomes vacant because of death, the PMHA will permit the owner to keep the HAP for the month in which the tenant died.

Under the MTW ("Portage HOPES") program, an owner who incurs damages and unpaid rent in excess of one month's contract rent can file a claim with the PMHA by obtaining a court judgment against the tenant and providing proof that the judgment exceeds the amount of the tenant's security deposit. A date-stamped copy of the court judgment will be considered prima-facie evidence of the amount of tenant damages.

Where the tenant's security deposit is not sufficient to cover the full amount of the court-determined assessment, PMHA's maximum liability under Portage HOPES will be one month's contract rent.

#### **D. MOVE-OUT AND CLOSE-OUT INSPECTIONS**

Move-out inspections are performed after the tenant has vacated the unit. These inspections are performed to assess the condition of the unit, not to evaluate the HQS. Vacate inspections will be conducted by Section 8 Inspector. Move-out Inspections are not required for contracts effective on or after October 2, 1995.

PMHA's initial inspection of the unit will include a "conditions" report, which will be compared to the conditions found during the move-out inspection. The owner must notify PMHA of the move-out and request an inspection as soon as he/she learns of the move-out in order to submit a claim for damages. If the contract was terminated due to owner breach, or the owner was in violation of the contract at the time that it was terminated, there will be no entitlement to claims and therefore no inspection.

Move-out inspections can be requested by the owner or tenant. Both parties will be notified of the date and time of the inspection. If the owner is not present, the move-out inspection will be rescheduled. The PMHA will conduct a move-out inspection on tenant's request if the owner does not also request an inspection. The PMHA will conduct a move-out inspection on the owner's request even though PMHA has no liability.

#### **E. OTHER REQUIREMENTS FOR CLAIMS PROCESSING**

Any amount owed by the tenant to the owner for unpaid rent or damages will first be deducted from the maximum security deposit, which the owner could have collected under the program rules. If the maximum allowable security deposit is insufficient to reimburse the owner for the unpaid tenant rent or other amounts, which the family owes under the lease, the owner may request reimbursement from PMHA up to the limits for each program.

After a determination has been made, PMHA will notify the family in writing of the decision. If it has been determined that the family owes money, PMHA will pursue collection to repay either in a lump sum or through a payment agreement. The notice will warn the family that their assistance may be terminated and they may be denied future participation in the program if they do not reimburse the housing authority as required.

The PMHA will require proof that the owner has complied with State and local laws applicable to security deposits before making payment on any claim. All notices to tenants during the processing of a claim must include proof of mailing or of personal delivery. Costs of filing eviction to remove the tenant or any other legal fees, may not be reimbursed. No claims will be paid for a unit, which is vacant as the result of the landlord voluntarily moving a family to another unit owned by the same landlord.

All claim forms must be fully complete when they are submitted, and they must be submitted within 30 calendar days of the date the owner learned of the move-out.

## **Chapter 18**

### **OWNER OR FAMILY DEBTS TO PMHA**

#### **INTRODUCTION**

This chapter describes the PMHA's policies for the recovery of moneys which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of moneys and the guidelines for different types of debts. It is PMHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PMHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to PMHA, the housing authority will make every effort to collect it. PMHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Repayment agreements
- Abatements
- Reductions
- Collection agencies
- Credit bureaus
- Income tax set-off programs

#### **A. REPAYMENT AGREEMENT FOR FAMILIES**

Repayment Agreement as used in this plan is a document entered into between PMHA and a person who owes a debt to PMHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of repayment, any special provisions of the agreement, and the remedies available to PMHA upon default of the agreement.

Any amount due to PMHA by a participant must be repaid by the family. If the family is unable to repay the debt within 30 days, PMHA may offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, PMHA will terminate the assistance in accordance with its policies and pursue other methods of collection.

The maximum amount for which PMHA will enter into a repayment agreement with a family is \$4,000. The maximum length of time PMHA will enter into a repayment agreement with a family is 42 months. A minimum down payment of \$100.00 will be required for debts up to

\$1000. For debts over \$1000, the minimum allowable downpayment will be 10% of the total debt.

The minimum monthly payment due will be the greater of \$25 or the amount calculated based upon the repayment schedule below.

#### Repayment Schedule for Moneys Owed to PMHA

<u>Amount Owed</u>	<u>Maximum Term</u>
\$125 - \$1,500	18 months
\$1,501 - \$3,000	24 months
\$3,001 - \$4,000	42 months

#### Due Dates

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

#### Non-Payment

A payment will be considered to be in arrears if prior approval for the missed payment has not been given by PMHA. If the family's repayment agreement is in arrears, PMHA will send the family a delinquency notice giving the family 10 business days to make the late payment. A notice of termination of housing assistance will be sent out with the delinquency notice advising the tenant of PMHA's intention to terminate assistance 30 days from the date of the notice. If the payment is not received by the due date set forth in the delinquency notice, it will be considered a breach of the repayment agreement and PMHA will terminate the housing assistance in accordance with its policies.

If a family receives 3 delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default and PMHA will terminate assistance in accordance with its policies.

Where the family owes a debt to PMHA, the utility reimbursement payment will be reduced or withheld and applied to the outstanding debt. Families with debts and repayment agreements that existed prior to March 24, 2009 (the date Board Resolution No. 09-12 was passed) will be permitted to honor the terms of the repayment agreement or elect for the withholding/reduction of the utility reimbursement payment until the debt is paid in full.

#### Guidelines for Repayment Agreements

Repayment agreements will be executed between PMHA and the head of household and spouse/co-head (if applicable).

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Section 8 Manager. Any reduction in the monthly payment will be effective prospectively, not retroactively.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the repayment agreement is current:

- Family size exceeds the HQS maximum occupancy standards
- The HAP contract is terminated due to owner non-compliance or opt-out
- A natural disaster

Additional Moneys Owed: PMHA will not enter into a repayment agreement if there is already a repayment agreement in place, or if the amounts owed exceed \$4000.

**B. DEBTS OWED FOR CLAIMS** [24 CFR 792.103, 982.552 (b)(6-8)]

If a family owes money to the PMHA for claims paid to an owner, will enter into a repayment agreement with the family even if there is already a repayment agreement in place.

**C. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION**

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements. Examples include:

**Family Error/Late Reporting**

Families who owe money to PMHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the repayment section of this chapter.

**Program Fraud**

Families who owe money to PMHA due to program fraud will be required to repay in accordance with the guidelines in the repayment section of this chapter. If a family owes an amount which equals or exceeds \$4,000 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, PMHA will refer the case for criminal prosecution. See Chapter 20 for more details.

**D.      OWNER DEBTS TO THE HA**

If PMHA determines that the owner has retained Housing Assistance or Claim Payments the owner is not entitled to, the PMHA may reclaim the amounts from future Housing Assistance or Claim Payments owed the owner for any units under contract. If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, PMHA will enter into a repayment agreement with the owner for the amount owed

**E.      WRITING OFF DEBTS**

Debts will be written off if the debtor is deceased.

## **Chapter 19**

### **COMPLAINTS AND APPEALS**

#### **INTRODUCTION**

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the PMHA. This chapter describes the policies, procedures and standards to be used when families disagree with a PMHA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of PMHA to ensure that all families have the benefit of all protections due to them under the law.

#### **A. COMPLAINTS TO PMHA**

PMHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The PMHA requires that all complaints be put in writing.

##### **Categories of Complaints**

The following complaints will be referred to the Section 8 Coordinator.

1. Complaints from families: If a family disagrees with an action or inaction of PMHA or owner.
2. Complaints from owners: If an owner disagrees with an action or inaction of PMHA or a family.
3. Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules.
4. Complaints from the general public: Complaints or referrals from persons in the community in regard to PMHA, a family or an owner.

#### **B. PREFERENCE DENIALS** [24 CFR 982.210 (d)]

When PMHA denies a preference to an applicant, the family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with PMHA staff to discuss the reasons for the denial and to dispute PMHA's decision. The person who conducts the meeting must be an employee of PMHA who is at or above the level of Manager but not the employee who made the decision.

**C. INFORMAL REVIEW PROCEDURES FOR APPLICANTS**

[24 CFR 982.54 (d) (12), 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing.

When PMHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible,
- The procedure for requesting a review if the applicant does not agree with the decision
- The time limit for requesting a review.

PMHA must provide applicants with the opportunity for an Informal Review of decisions denying:

- Qualification for preference
- Listing on PMHA's waiting list
- Issuance of a voucher
- Participation in the program

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

1. Discretionary administrative determinations by PMHA
2. General policy issues or class grievances
3. A determination of the family unit size under PMHA subsidy standards
4. Refusal to extend or suspend a voucher
5. Disapproval of lease
6. Determination that unit is not in compliance with HQS
7. Determination that unit is not in accordance with HQS due to family size or composition

**Procedure for Review**

A request for an Informal Review must be received in writing by the close of the business day, no later than 10 business days from the date of PMHA's notification of denial of assistance. The informal review will be scheduled within 10 business days from the date the request is received.

The Informal Review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person. The review may be conducted by a staff person who is at the Manager level or above.

The applicant will be given the option of presenting oral or written objections to the decision. Both PMHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A Notice of the review findings will be provided in writing to the applicant within 10 business days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision. All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

**D. INFORMAL HEARING PROCEDURES** [24 CFR 982.555 (a-f), 982.54(d)(13)]

PMHA will provide a copy of the hearing procedures in the family briefing packet.

When PMHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. The PMHA will give the family prompt notice of such determinations which will include:

The proposed action or decision of PMHA.

The date the proposed action or decision will take place.

The family's right to an explanation of the basis for the PMHA's decision.

The procedures for requesting a hearing if the family disputes the action or decision.

The time limit for requesting the hearing.

To whom the hearing request should be addressed.

A copy of the PMHA's hearing procedures.

PMHA must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following PMHA determinations:

1. Determination of the family's annual or adjusted income and the computation of the housing assistance payment

2. Appropriate utility allowance used from schedule
3. Family unit size determination under PMHA subsidy standards
4. Determination to terminate assistance for any reason.
5. Determination to terminate a family's FSS contract, withhold supportive services, or proposes forfeiture of the family's escrow account.
6. Determination to pay an owner claim for damages, unpaid rent or vacancy loss.

PMHA will always provide the opportunity for an informal hearing before termination of assistance. Informal Hearings are not required for established policies and procedures and PMHA determinations such as:

1. Discretionary administrative determinations by PMHA.
2. General policy issues or class grievances.
3. Establishment of PMHA schedule of utility allowances for families in the program.
4. A PMHA determination not to approve an extension or suspension of a voucher term.
5. A PMHA determination not to approve a unit or lease.
6. A PMHA determination that an assisted unit is not in compliance with HQS if it is a family breach of HQS under the family's obligations however, PMHA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in 24 CFR §982.551(c) and 24 CFR § 982.404(b).
7. A PMHA determination that the unit is not in accordance with HQS because of the family size.
8. A PMHA determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

### **Notification of Hearing**

It is the PMHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, PMHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When PMHA receives a request for an informal hearing, a hearing shall be scheduled within 10 business days. The notification of hearing will contain:

1. The date and time of the hearing
2. The location where the hearing will be held
3. The family's right to bring evidence, witnesses, legal or other representation at the family's expense
4. The right to view any documents or evidence in the possession of PMHA upon which PMHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing

### **PMHA's Hearing Procedures**

After a hearing date is agreed to, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact PMHA within 24 hours, excluding weekends and holidays. PMHA will reschedule the hearing only if the family can show good cause for the failure to appear.

Families have the right to:

1. Present written or oral objections to PMHA's determination.
2. Examine the documents in the file which are the basis for PMHA's action, and all documents submitted to the Hearing Officer;
3. Copy any relevant documents at their expense;
4. Present any information or witnesses pertinent to the issue of the hearing;
5. Request that PMHA staff be available or present at the hearing to answer questions pertinent to the case; and
6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, PMHA will make the copies for the family. PMHA will require pre-payment of all actual costs in excess of one dollar (\$1) for copies, postage and mailing supplies. Costs for medium other than paper will be billed at actual cost of reproduction. PMHA will use U.S. Postal Service regular mail to mail copies of responsive records. PMHA is not required to use private mail carriers or to fax or e-mail records

in response to a request. The person making the request for records will at no time be permitted to make their own copies of records. Not all records are available for duplication upon demand. Records must often be reviewed and non-public information redacted before copies can be provided. Any redaction of information that is exempt from disclosure will be made plainly visible. In no case will the family be allowed to remove the file from PMHA's office.

In addition to other rights contained in this chapter, PMHA has a right to:

1. Present evidence and any information pertinent to the issue of the hearing;
2. Be notified if the family intends to be represented by legal counsel, advocate, or another party;
3. Examine and copy any documents to be used by the family prior to the hearing;
4. Have its attorney present; and
5. Have staff persons and other witnesses familiar with the case present.

The Informal Hearing shall be conducted by the Hearing Officer appointed by PMHA who is neither the person who made or approved the decision, nor a subordinate of that person. The PMHA's hearing officers will be PMHA management employees.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the Hearing Officer, the action of PMHA shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction or decision of PMHA is in accordance with HUD regulations and this administrative plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to the PMHA and the family within 10 business days and shall include:

- A clear summary of the decision and reasons for the decision;

- If the decision involves money owed, the amount owed; and
- The date the decision goes into effect.

The PMHA is not bound by hearing decisions:

- Which concern matters in which the PMHA is not required to provide an opportunity for a hearing
- Which conflict with or contradict to HUD regulations or requirements;
- Which conflict with or contradict Federal, State or local laws; or
- Which exceed the authority of the person conducting the hearing.

PMHA shall send a letter to the participant if it determines the PMHA is not bound by the Hearing Officer's determination within 10 business days. The letter shall include PMHA's reasons for the decision. All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

**E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR 812.9]**

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal. Assistance to a family may not be terminated or denied while the PMHA hearing is pending but assistance to an applicant may be delayed pending the PMHA hearing.

**F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES**

When applicants are denied placement on the waiting list, or PMHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process. Examples of mitigating circumstances are: a) A person with a cognitive disorder may not have understood the requirement to report increases in income, b) A person may not understand the need to make regular repayments on a promissory note, c) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

## **Chapter 20**

### **PROGRAM INTEGRITY**

#### **INTRODUCTION**

The PMHA is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources reach only income-eligible families so that program integrity can be maintained. PMHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously. This chapter outlines PMHA's policies for the prevention, detection and investigation of program abuse and fraud.

#### **A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will the PMHA undertake an inquiry or an audit of a participating family arbitrarily. PMHA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. PMHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, PMHA has a responsibility to HUD, to the community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and, when indicators of possible abuse come to the housing authority's attention, to investigate such claims.

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

- 1. Referrals, Complaints, or Tips.** PMHA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.
- 2. Internal File Review.** A follow-up will be made if PMHA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the PMHA's knowledge of the family, or is discrepant with statements made by the family.
- 3. Verification of Documentation.** A follow-up will be made if PMHA receives independent verification or documentation which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

## **B. STEPS PMHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD**

PMHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

1. **Program Briefing Session.** Mandatory orientation sessions will be conducted by PMHA staff for all prospective program participants, upon issuance of a voucher. At the conclusion of all briefing sessions, the family representative will be required to sign a Program Briefing Certificate to confirm that all rules and pertinent regulations were explained to them.
2. **Resident Counseling.** PMHA will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.
3. **Review and Explanation of Forms.** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.
4. **Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse
5. **Participant Certification.** All family representatives will be required to sign an "Applicant/Tenant Certification" form, indicating their understanding of and agreement to comply with the rules of the program.

## **C. STEPS PMHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

The PMHA staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

1. **Quality Control File Reviews.** On an on-going basis, the Housing Programs Manager and the Section 8 Coordinator review random tenant files for completeness, accuracy, authenticity of verification documents, ratio between income and expenditures, and signatures.
2. **Observation.** PMHA Section 8 staff, including the inspection personnel, will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income. Observations will be documented in the family's file.
3. **Credit Bureau Inquiries.** Credit bureau inquiries may be made (with proper authorization by the participant) in the following circumstances: - At the time of final eligibility determination

- When an allegation is received by PMHA wherein unreported income sources are disclosed.
- When a participant's expenditures exceed his/her reported income, and no plausible explanation is given.

#### **D. PMHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

The PMHA staff will encourage all participating families to report suspected abuse to the Housing Programs Manager. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The Housing Programs Manager will not follow up on allegations which are vague or otherwise non-specific. He/she will only review allegations which contain one or more independently verifiable facts.

1. **File Review.** An internal file review will be conducted to determine if the subject of the allegation is a client of PMHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.

It will then be determined if PMHA is the most appropriate authority to do a follow-up or whether it will be referred to the Portage County Prosecutor's Office. Any file documentation of past behavior as well as corroborating complaints will be evaluated.

2. **Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the Housing Programs Manager will initiate an investigation to determine if the allegation is true or false.

#### **E. HOW PMHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If PMHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file, or a person designated by the Executive Director to monitor the program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, PMHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to PMHA's review.

Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, the PMHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. PMHA will discuss the allegation (or details thereof) with the head of household or family member by scheduling an appointment at the PMHA office. A high standard of courtesy and professionalism will be maintained by PMHA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

#### **F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY PMHA**

Documents and other evidence obtained by PMHA during the course of an investigation will be considered "work product" and will either be kept in the participant's file, or in a separate "work file." In either case, the participant's file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among PMHA staff unless they are involved in the process, or have information which may assist in the investigation.

#### **G. CONCLUSION OF PMHA'S INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

#### **H. EVALUATION OF THE FINDINGS**

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

1. The type of violation (procedural, non-compliance, fraud).
2. Whether the violation was intentional or unintentional.

3. What amount of money (if any) is owed by the family.
4. If the family is eligible for continued occupancy.

## **I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED**

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

1. **Procedural Non-compliance.** This category applies when the family "fails to" observe a procedure or requirement of PMHA , but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by PMHA.

- (a) **Warning Notice to the Family.** In such cases a notice will be sent to the family which contains the following:
  - A description of the non-compliance and the procedure, policy or obligation which was violated.
  - The date by which the violation must be corrected, or the procedure complied with.
  - The action which will be taken by PMHA if the procedure or obligation is not complied with by the date specified by PMHA.
  - The consequences of repeated (similar) violations.

2. **Procedural Non-compliance - Overpaid Assistance.** When the family owes money to PMHA for failure to report changes in income or assets, the housing authority will issue a Notification of Overpayment of Assistance. This notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to PMHA .
- A 10-day response period.
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

- (a) Participant Fails to Comply with PMHA's Notice. If the participant fails to comply with PMHA's notice, and a family obligation has been violated, PMHA will initiate termination of assistance.
- (b) Participant Complies with PMHA's Notice. When a family complies with PMHA's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will

complete a Participant Counseling Report, give one copy to the family and retain a copy in the family's file.

3. **Intentional Misrepresentations.** When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by PMHA, the housing authority will evaluate whether or not:
  - the participant had knowledge that his/her actions were wrong, and
  - the participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certification, briefing certificate, Personal Declaration and "Things You Should Know" are adequate to establish knowledge of wrong-doing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (a) An admission by the participant of the misrepresentation.
- (b) That the act was done repeatedly.
- (c) If a false name or Social Security Number was used.
- (d) If there were admissions to others of the illegal action or omission.
- (e) That the participant omitted material facts which were known to him/her (e.g., employment of self or other household member).
- (f) That the participant falsified, forged or altered documents.
- (g) That the participant uttered and certified to statements at a interim determination which were later independently verified to be false.

4. **Dispositions of Cases Involving Misrepresentations.** In all cases of misrepresentations involving efforts to recover monies owed, PMHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

- (a) Criminal Prosecution: If PMHA has established criminal intent, and the case meets the criteria for prosecution, PMHA will refer the case to the local, State, or Portage County Prosecutor's Office.
- (b) Administrative Remedies: PMHA will permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with PMHA's repayment policy.

5. **Interview for Serious Violations and Misrepresentations.** When PMHA has established that material misrepresentation(s) have occurred, an interview will be scheduled with the family representative and the PMHA staff person who is most knowledgeable about the circumstances of the case.

This interview will take place prior to any proposed action by PMHA. The purpose of such interview is to review the information and evidence obtained by PMHA with the

participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by the PMHA. The family will be given 10 calendar days to furnish any mitigating evidence.

A secondary purpose of the participant interview is to assist PMHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, PMHA will consider:

- \* The duration of the violation and number of false statements.
- \* The family's ability to understand the rules.
- \* The family's willingness to cooperate, and to accept responsibility for his/her actions
- \* The amount of money involved.
- \* The family's past history
- \* Whether or not criminal intent has been established.
- \* The number of false statements.

6. **Notification to Participant of Proposed Action.** PMHA will notify the family of the proposed action no later than 10 calendar days after the case conference by certified mail.

## **Chapter 21**

### **SECTION 8 PROJECT-BASED VOUCHER PROGRAM**

#### **INTRODUCTION**

In accordance with March 1999 Moving To Work agreement, the PMHA has been granted authority to implement a Section 8 Project-Based Voucher program for entities (for-profit and non-profit) committed to providing both housing and supportive services to their residents. The purpose of this feature is to increase the supply of rental units. PMHA may project-base as much as 20% of the total voucher inventory.

#### **A. ELIGIBILITY**

To be eligible for participation, the entity must be based in Portage County, and predominately serve Portage County residents. The clients must qualify under HUD's definition of low income, and must be in need of supportive services. The owner must make a commitment to provide both housing and supportive services to the residents in order to receive the Section 8 project-based commitment from the PMHA. Transitional housing units are eligible for inclusion in the Project-Based Voucher program.

An owner must provide or refer residents to on-site or off-site supportive services in order to qualify the unit as an excepted unit. Participating owners must provide at least one qualifying service to meet the requirement to exceed HUD mandated 25% threshold cap on units assisted in a multi-family building. Eligible services can include: substance abuse counseling, non-disabled mental health services, non-disabled behavioral support services, linkages to medical providers for non-disabled tenants, job training/career counseling, money management counseling, child care, after-school programs, housing retention, GED preparation and testing, case management, transportation, leadership development and early childhood assessment and referral. The section 8 family self-sufficiency program offered by PMHA also satisfies the supportive services requirement for excepted units. Elderly and disabled households are not subjected to the mandatory supportive services requirements, but owners are expected to make such tenants aware of and facilitate participation in supportive services activities.

The eligible family must maintain their participation in the services to retain their assistance unless they successfully complete the services program. All services will be monitored annually at the HAP anniversary. Each family will be required to certify that they are maintaining their participation in their services program at the time of the family's annual re-examination. Participation in the services program will be verified using third-party verification procedures. In addition, the owner must annually certify that it continues to provide services. The owner must notify PMHA immediately once a family is no longer in compliance with their services obligation.

Notwithstanding the contents specific to Project-Based Vouchers described in this chapter of the Section 8 Administrative Plan, all other areas the Section 8 Administrative Plan and the regulations described at 24 CFR part 983 shall govern.

## **B. TERM OF COMMITMENT**

The commitment from the PMHA will be for a five-year term. An owner may request a longer commitment term from the PMHA, up to a maximum of fifteen years, in order to accommodate other housing programs such as Low Income Housing Tax Credit, etc. These requests will be reviewed on a case by case basis. The PMHA and the owner will execute a HAP contract for a five-year term, the HAP contract is dependent upon the PMHA's commitment for Section 8 funding from HUD. The HAP contract establishes the initial rents, term and responsibilities of the PMHA and the owners. HAP contracts can be adjusted annually, based on HUD regulations.

Project-based commitments may be made for existing units or units to be newly constructed. In case of new construction, the PMHA may issue a letter of intent to commitment the project-based units, to assist the owner in securing financing commitments. The HAP agreement will not be executed until the units are available for lease and have passed HQS inspections.

Effective September 1, 2019, PMHA amended this activity to allow for changes to be made to the terms of project-based Agreements to enter into Housing Assistance Payments (AHAP) contracts for newly constructed or rehabilitated housing, after the AHAPs have already been signed, contingent upon agreement by the project owner and PMHA; specifically, these changes would include, but not limited to, changing the date(s) that units are to be brought online, and changing a single-stage project to a multi-stage project. This would allow for units that are ready to come online ahead of schedule to be put under HAP contract and filled as soon as the units are completed and determined eligible.

## **C. RENTS**

Rents will be set based upon market comparables and may not exceed 110% of the published existing fair market rents. All standard Section 8 program requirements, including but not limited to, client Section 8 eligibility, HQS compliance, rent reasonableness, and fair housing requirements will apply to project-based owners.

## **D. OUTREACH**

Outreach efforts will be targeted to all Portage County based entities owning rental housing, based on the Yellow Pages directory published by Portage County First Call for Help. Outreach will consist of letters to each known local entity who is potentially eligible to participate and also through newspaper notices in the Record-Courier.

## **E. PROPOSALS**

As the PMHA intends for this to be a development tool to assist entities serving a variety of special needs populations, the units will not be offered on a competitive basis. Instead, the availability of units will be publicized and offered on an on-going basis, contingent upon the PMHA's availability of vouchers. The PMHA will commit up to 20% of its total voucher inventory to this project-based feature.

Proposals will be solicited by the PMHA using a format developed by the PMHA. The owner will be required to provide documentation of eligibility for the program, ownership of the housing, eligibility of clients for Section 8, and supportive services to be offered.

If the proposal is acceptable, the PMHA will issue a letter of commitment to the owner. The PMHA will then follow its standard Section 8 processing procedures. The owner will be responsible for referring participants to the PMHA's waiting list. The owner will be responsible for selecting the housing participants in a non-discriminatory manner. Once housed in the project-based unit, the housing participant may apply for, or continue on, the PMHA's waiting list for Section 8 or Public Housing assistance.

#### **F. CONTINUED ASSISTANCE: FAMILY RIGHT TO MOVE**

The family may terminate the assisted lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to PMHA) in accordance with the lease. The PMHA will offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance after the tenant has resided in the unit for two years, provided all standard section 8 eligibility criteria are met.

The family will also be entitled to tenant-based rental assistance under the voucher program when their name reaches the top of the waiting list. If the applicant's name comes to the top of the waiting during the initial year of occupancy of the project-based unit, the applicant may postpone acceptance of voucher assistance until expiration of the initial lease term. The applicant would then be given the next available section 8 voucher.

## **CHAPTER 22**

### **SPECIAL HOUSING TYPES**

#### **INTRODUCTION**

PMHA will permit the use of special housing types in its program.

PMHA will not set aside any program funding for special housing types, or for a special housing type. A family may choose whether to rent housing that qualifies as a special housing type or to rent other eligible housing in accordance with requirements of the program.

#### **A. SINGLE ROOM OCCUPANCY [24 CFR 982.602]**

PMHA will use a separate lease and housing assistance payment contract for each assisted person residing in a SRO. [24 CFR 982.603]

#### **SRO RENT AND HOUSING ASSISTANCE PAYMENT [24 CFR 982.604]**

The SRO payment standard is 75 percent of the zero bedroom payment standard schedule. For a person residing in an exception area the payment standard is 75 percent of the HUD-approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

#### **UTILITY ALLOWANCE**

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.

#### **HOUSING QUALITY STANDARDS**

PMHA will ensure that all SRO units approved for the program are in compliance with all of the housing quality standards for SROs as regulated in 24 CFR 982.605.

#### **B. CONGREGATE HOUSING [24 CFR 982.606]**

An elderly person or a person with disabilities may reside in a congregate housing unit.

PMHA may approve a family member or live-in aide to reside with the elderly person or person with disabilities.

PMHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

#### **CONGREGATE HOUSING LEASE AND HAP CONTRACT [24 CFR 982.607]**

For congregate housing there will be a separate lease and HAP contract for each assisted family.

Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on PMHA's payment standard schedule.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

## **HOUSING QUALITY STANDARDS**

PMHA will ensure that all congregate housing units approved for the program are in compliance with all of the housing quality standards for congregate housing as regulated in 24 CFR 982.609.

### **C. GROUP HOMES [24 CFR 982.610, 982.612]**

A group home must be licensed, certified, or otherwise approved in writing by the state, or the state's licensing department.

An elderly person or a person with disabilities may reside in a state-approved group home. If approved by PMHA, a live-in aide may reside with a person with disabilities.

PMHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities.

PMHA will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

### **GROUP HOME LEASE AND HAP CONTRACT [24 CFR 982.611]**

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PMHA-approved live-in aide.

### **GROUP HOME RENT AND HAP CONTRACT [24 CFR 982.613]**

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with 982.503. In determining reasonable rent PMHA will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private.

## **MAXIMUM SUBSIDY**

Unless there is a live-in aide, the family unit size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size; or the pro-rata portion of the payment standard amount on PMHA's payment standard schedule for the group home size.

### **UTILITY ALLOWANCE**

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

### **HOUSING QUALITY STANDARDS**

PMHA will ensure that all group home units approved for the program are in compliance with all of the housing quality standards for group homes as regulated in 24 CFR 982.614.

### **D. SHARED HOUSING [24 CFR 982.615]**

#### **OCCUPANCY**

An assisted family may reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment.

PMHA may approve a live-in aide to reside with a family in order to care for a person with a disability. PMHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit.

A resident owner may enter into a HAP contract with PMHA. However, housing assistance may not be paid on behalf of an owner. PMHA will not approve assistance for a person or family that is related by blood or marriage to a resident owner.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

### **RENT AND HAP CONTRACT**

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five-bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in the "owner rents, rent reasonableness, and payment standards" chapter.

### **MAXIMUM SUBSIDY**

For a family that resides in a shared housing unit the payment standard is the lower of the payment standard amount on the PHA payment standard schedule for the family unit size or the pro-rata

portion of the payment standard amount on the PHA payment standard for the shared housing unit size.

If the PHA approves a live-in aide, the live-in aide will be counted in determining the family unit size.

### **UTILITY ALLOWANCE**

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

### **HOUSING QUALITY STANDARDS**

The PMHA will ensure that all shared housing units approved for the program are in compliance with all of the housing quality standards for shared housing as regulated in 24 CFR 982.618.

### **E. COOPERATIVE HOUSING [24 CFR 982.619]**

PMHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. PMHA will not approve assistance for a family in cooperative housing until PMHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with "owner rents, rent reasonableness, and payment standards" chapter. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperatives debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down-payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility.

For a cooperative, rent adjustments are applied to the carrying charge as determined in "owner rents, rent reasonableness, and payment standards" chapter.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 limitations on rent to owner. The housing assistance payment will be determined in accordance with the guidelines in "owner rents, rent reasonableness, and payment standards" chapter.

PMHA may approve a live-in aide to reside with the family to care for a person with disabilities. PMHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. If PMHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

## **HOUSING QUALITY STANDARDS**

The PHA will ensure that all cooperative housing units approved for the program are in compliance with all of the housing quality standards outlined in the "housing quality standards and inspections" chapter, and regulated by 24 CFR 982.401.

### **F. MANUFACTURED HOMES [24 CFR 982.620]**

PMHA will permit a family to lease a manufactured home and space with assistance under the program. PMHA will not provide assistance for a family that owns the manufactured home and leases only the space.

PMHA may approve a live-in aide to reside with a family to care for a person with disabilities. PMHA will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If the PMHA approves a live-in aide, the live-in aide must be counted when determining the family unit size.

### **HOUSING QUALITY STANDARDS [24 CFR 982.621]**

A manufactured home must meet all the HQS requirements outlined in the "housing quality standards and inspections" chapter and regulated by 24 CFR 982.401. In addition the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

### **G. HOMEOWNERSHIP [24 CFR 982.625]**

PMHA has established a Section 8 individual family based voucher home ownership option, pursuant to the terms of PMHA's Moving To Work agreement with the United States Department of Housing and Urban Development.

## **ELIGIBILITY CRITERIA**

1. A family must meet the general requirements for continued participation in PMHA's Section 8 tenant-based programs.
2. Current Section 8 program participants must be in full compliance with their lease and program requirements and must terminate their current lease arrangement in compliance with the lease.
3. Participant families must be either of the following:
  - a. First-time homebuyers, where a family member must not have owned title to a principal residence in the last three (3) years (also includes single parents or

displaced homemakers who, while married, owned a home with a spouse or resided in a home owned by a spouse). Residents of limited equity cooperatives are eligible for homeownership option; or:

- b. A family of which a family member is a person with disabilities, and use of the homeownership program option is needed as a reasonable accommodation, so that the program is readily accessible to and usable by such person.
4. If a family member previously received assistance under the homeownership option, and has defaulted on a mortgage securing debt incurred to purchase the home, they shall be barred from further participation.
5. Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for purchase of a home.
6. Participants in the Section 8 homeownership option must enroll and complete all homeownership education requirements and be deemed “mortgage ready” before PMHA assistance can begin. Homeownership education and learning programs include: orientation, credit counseling, and pre-purchase and post-purchase homeownership counseling. Counseling will include, at a minimum:
  - a. Home maintenance
  - b. Budgeting and money management
  - c. Credit Counseling
  - d. How to locate a decent and affordable home
  - e. How to negotiate the purchase price
  - f. Locating and paying a reputable independent inspector
  - g. How to locate and obtain financing
  - h. Advantages of purchasing versus renting
7. In order to be eligible for homeownership assistance, the family must enroll or be enrolled in the Section 8 Family Self-Sufficiency program and maintain eligibility for Section 8 assistance. Families whose head of household is handicapped or disabled may opt out of participating in FSS.
8. The family satisfies the employment requirements (see page 4).
9. The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option.

10. Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered into a contract of sale.

### **HOMEOWNERSHIP DOWN PAYMENT**

The PMHA has established a minimum homeowner down payment of at least three (3) percent of the purchase price and requires that one (1) percent of the purchase price come from the family's personal resources. However, the housing authority may wish to waive the one percent from the family's personal resources if it has coordinated down payment assistance with other available community resources.

### **CONTINUED ASSISTANCE REQUIREMENTS**

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, PMHA may not continue homeownership assistance after the month in which the family moves. The family or lender is not required to refund the housing authority the homeownership assistance for the month in which the family moves.

The Family must comply with the following obligations:

1. To the extent required by PMHA, the family must attend and complete ongoing homeownership and housing counseling.
2. The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).
3. 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.
4. The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.
5. Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members.
6. 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.
7. The family must supply any information on any mortgage or other debt incurred to purchase the home, any refinancing of such debt, any sale or other transfer of any interest in the home or the family's homeownership expenses.

8. The family must notify PMHA, in writing, within thirty days of the action, if the family defaults on a mortgage securing any debt incurred to purchase the home.
9. The family must notify PMHA, in writing, within thirty days before the family moves out of the home.
10. During the time the family receives homeownership assistance, no family member may have any ownership interest in any other residential property.
11. At the time of annual re-certification, the family must document that he or she is current on mortgage, insurance and utility payments.
12. The family may not take out a home equity loan without prior written consent from PMHA.
13. The family must comply with family obligations under the Section 8 program.
14. The family may not sublet or lease.
15. The family (including each family member) must not commit fraud, bribery or any other corrupt or criminal acts in connection with the program.
16. The family (including each family member) must not participate in illegal drug or violent criminal activity.

### **Family Obligations**

Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form described by HUD. In the statement the family agrees to comply with all family obligations under the homeownership option.

### **Time Frame of Utilization**

Once the family is deemed “mortgage ready,” the family must locate a home and enter into a Contract of Sale within 180 days. If a family is unable to enter into a Contract of Sale before the end of the initial 180-day period, the family may be provided an additional 90-day extension. Any extension beyond the total of 270 days will be at the sole discretion of the Homeownership Coordinator.

### **Income Eligibility**

1. The family must verify that the household’s total gross annual income from all adult family members who will own the home at commencement of assistance is not less than \$15,000 per year. Any exception to the income requirement will be at the sole discretion of the Homeownership Coordinator, given that the household’s total gross annual income is not less than the federal minimum hourly wage multiplied by 2,000 hours, as mandated by HUD. (Families in which the head of household or spouse is disabled or elderly are exempt from this requirement. Families with a disabled household member may request to be exempt as a reasonable accommodation).

2. Except in the case of an elderly or disabled family, the housing authority shall not count any welfare assistance received by the family in determining annual income.
3. The disregarded welfare assistance income only affects the determination of minimum annual income used to determine if a family initially qualifies for commencement of homeownership assistance, but does not affect the determination of income eligibility for admission to the voucher program, calculation of the amount of total tenant payment, or calculation of the amount of homeownership assistance payments on behalf of the family.

## **EMPLOYMENT REQUIREMENTS**

1. The family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term “full-time employment” means not less than an average of 30 hours per week) and has been continuously employed so during the year before commencement of homeownership assistance for the family. The employment requirement does not apply to elderly or disabled families. Furthermore, if a family, other than elderly or disabled, includes a person with disabilities, the housing authority may grant an exemption from the employment requirement if the housing authority determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.
2. Once involved in the homeownership program, if a family member becomes unemployed for any reason and this results in the family having Zero Income, at least one adult family member must obtain new employment within six (6) months of the date of Zero Income status, or the family will be terminated from the homeownership program.

## **UNIT ELIGIBILITY**

1. The housing authority must determine unit eligibility.
2. The family may use voucher homeownership assistance for the purchase of units not yet under construction at the time the family contracts to purchase the home, contingent upon environmental certificate prior to construction, or the family may use voucher assistance to purchase a unit that is either under construction or existing at the time the housing authority determined that the family was eligible for homeownership assistance to purchase the unit.
3. The unit is a one-unit property.
4. The unit was inspected by the housing authority under HQS and by an independent inspector designated and paid for by the family.
5. The unit must satisfy Housing Quality Standards.
6. The participant must determine and document whether or not the unit is in an airport runway clear zone or an airfield clear zone.

7. 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.
8. The housing authority may not approve a unit if the housing authority has knowledge that the seller is barred, suspended, or subject to limited denial of participation.

### **SPECIAL HOUSING TYPE**

Families are not permitted (including families that move into the housing authority program under portability procedures) to use any of the following housing types:

1. Congregate housing
2. Group home
3. Shared housing
4. Cooperative housing (excluding families that are not cooperative members)
5. Manufactured homes
6. Single room occupancy (SRO)

### **INDEPENDENT INSPECTIONS**

1. An independent professional inspector selected by and paid for by the family must inspect the unit. The independent inspector may not be an employee of PMHA or Neighborhood Development Services (NDS). The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.
2. The independent inspector must provide a copy of the inspection report to both the family and the housing authority. The housing authority may not commence homeownership assistance for the family until the housing authority has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with HQS, the housing authority shall have discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

### **CONTRACT OF SALE**

1. Before commencement of homeownership assistance, a member or members of the family must enter into a Contract of Sale with the seller of the unit to be acquired by the family. The family must give the housing authority a copy of this contract. (Except for cooperative members who have acquired cooperative shares prior to commencement of homeownership assistance.)

2. The contract of sale must:

- a. Specify the price and other terms of sale by the seller to the purchaser.
- b. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected and paid for by the purchaser.
- c. Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.
- d. Provide that purchaser is not obligated to pay for any necessary repairs.
- e. Contain a certification from the seller that the seller has not been barred, suspended, or subject to a limited denial of participation.

### **LEASE PURCHASE AGREEMENT**

A family leasing a unit with assistance under the program may enter into an agreement with an owner to purchase the unit. Property with a lease purchase agreement is considered rental property. As such, so long as the family is receiving rental assistance, all requirements applicable to families otherwise leasing units under the tenant-based program apply.

All regulations of the homeownership program will become effective at the time that the family exercises the purchase option.

#### **Portability**

Families determined eligible for homeownership assistance may exercise the homeownership option outside of PMHA's jurisdiction if the receiving public housing authority is administering a Section 8 voucher homeownership program and is accepting new families into its 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.
2. A cooperative unit, where one or more family members hold membership shares in the cooperative.

### **FINANCING**

The household is responsible for obtaining financing. Financing must comply with secondary mortgage market underwriting requirements.

If financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements. If purchase of home is financed without FHA mortgage insurance requirements, FHA mortgage insurance requirements are not applicable.

Seller financing and balloon payments are prohibited forms of financing.

Voucher funds may not be used to assist with financing cost (down payments, closing costs, etc).

### **ASSISTANCE PAYMENT**

Payment standard determines maximum subsidy in the voucher program. The housing authority will use the same voucher program payment standard amounts for homeownership. Payment standards are the greater of: (1) payment standard at commencement of homeownership assistance, or (2) payment standard at most recent re-examination since commencement of homeownership assistance.

The family's Section 8 homeownership assistance payment (HAP) will be the lower of: (1) Section 8 payment standard minus the total tenant payment or (2) the monthly homeownership expense minus the total tenant payment. At a minimum, PMHA will annually re-examine family income and composition and make appropriate adjustments to the amount of the monthly housing assistance payment.

Forty percent of adjusted monthly income limitation does not apply to homeownership families. If the homeownership expenses exceed the payment standard, the family will pay the difference, out-of-pocket in addition to the total tenant payment.

If the family's income increases to a point that they do not receive 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 Section 8 assistance will automatically terminate.

### **HOMEOWNERSHIP EXPENSES**

Housing assistance payments will be made directly to the lender. If the housing assistance payment is greater than the mortgage payment toward which it is applied, the difference will be applied to the principal of that mortgage.

Homeownership expenses include principal and interest for initial mortgage debt, real estate taxes, mortgage insurance, home insurance, utility allowance from rental voucher program, and PMHA allowance for routine maintenance cost.

### **MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE**

Section 8 assistance will only be provided for the months the family is in residence in the home. The maximum length of time a family may receive homeownership assistance is fifteen (15) years if the initial mortgage incurred to finance purchase of the home has a term of at least twenty (20) years. In all other cases, the maximum term is ten (10) years. Elderly and disabled families are exempt from this time limit.

Maximum term of homeownership assistance applies to the total time a family receives homeownership assistance, regardless of whether the family purchases another home.

The maximum term applies to any member of the family who:

1. Has an ownership interest in the unit during the time that homeownership payments are made; or
2. If the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least six (6) months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance in accordance with this part).

### **MOVE TO A NEW UNIT**

Families are prohibited from moving to a new unit if they own title or interest in the prior home, have not resided in the home for one year, and/or if the family has failed to comply with all initial requirements.

A homeownership family may purchase another home with Section 8 assistance provided there is no mortgage loan default and the family is in compliance with the “Statement of Home Owner Obligations”.

### **LIMITATIONS**

Fifty (50) families will be assisted with homeownership assistance. At the discretion of the housing authority, this number may be increased.

### **DEFAULTS**

If a participant in the homeownership option defaults on his or her home mortgage loan and loses the home in foreclosure and/or Sheriff sale, housing assistance payments will immediately terminate, and the participant will not be able to use his or her homeownership voucher for continued rental housing, but may reapply to the Section 8 waiting list.

### **DENIAL OR TERMINATION OF ASSISTANCE**

PMHA shall deny or terminate homeownership assistance for the following reasons:

1. Failure to comply under basic voucher program rules.
2. Failure to comply with family obligations.
3. Mortgage default resulting in foreclosure and/or Sheriff Sale of the property.

## **H. FORECLOSURE PREVENTION PROGRAM**

### **BACKGROUND**

PMHA has established a Foreclosure Prevention program pursuant to the terms of PMHA’s Moving To Work agreement with the United States Department of Housing and Urban Development. In addition to the guidelines that pertain solely to the Foreclosure Prevention program, the policies,

rules and procedures set forth in PMHA's Homeownership Plan (maximum term of assistance, mandatory FSS participation, etc.) apply to the program.

Under the program, households who otherwise qualify for assistance under the Voucher program receive a preference for admission and receive a voucher solely for the purpose of renegotiating their foreclosure so that they may remain in the home they own.

PMHA works with Neighborhood Development Services, Inc. to identify and assist up to 20 families under foreclosure, determine their eligibility and, if the lender indicates that, between the Homeownership Housing Assistance payment and the non-profit's contribution towards the arrearage that the lender would allow the family to retain its home, PMHA issues a voucher and upon execution of the required forms, including, but not limited to PMHA's Statement of Homeowner Obligations, PMHA's Homeownership Assistance Program Plan and HUD's Statement of Homeowner Obligations (form HUD-52649), begin the Homeownership Housing Assistance Payments.

### **LIMITATIONS**

Twenty (20) families will be assisted with homeownership assistance. At the discretion of the housing authority, this number may be increased.

### **ELIGIBILITY**

The family does not have to be a first-time homebuyer to be eligible for the Foreclosure Prevention program.

#### **Income Eligibility**

1. The family must verify that the household's total gross annual income from all adult family members who own the home is not less than \$12,000 per year. Families in which the head of household or spouse is disabled or elderly are exempt from this requirement. Families with a disabled household member may request to be exempt as a reasonable accommodation.
2. Except in the case of an elderly or disabled family, the housing authority shall not count any public assistance received by the family in determining annual income.
3. The disregarded public assistance income only affects the determination of minimum annual income used to determine if a family initially qualifies for homeownership assistance, but does not affect the determination of income eligibility for admission to the voucher program, calculation of the amount of total tenant payment, or calculation of the amount of homeownership assistance payments on behalf of the family.

#### **Lease-Purchase Agreements**

Families residing in units covered by a lease purchase agreement are ineligible for assistance under the Foreclosure Prevention program.

### **Location of Units**

To be eligible for assistance under the Foreclosure Prevention program the unit must be located in Portage County. Portability is not permitted in relation to the Foreclosure Prevention program.

### **INSPECTIONS**

In addition to the Housing Quality Standards Inspection conducted by PMHA prior to the commencement of assistance, an independent professional inspector, selected by and paid for by the family, must inspect the unit.

1. The independent inspector may not be an employee of PMHA or Neighborhood Development Services (NDS). The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.
2. The independent inspector must provide a copy of the inspection report to both the family and the housing authority. The housing authority may not commence homeownership assistance for the family until the housing authority has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with HQS, the housing authority shall have discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

### **DENIAL OR TERMINATION OF ASSISTANCE**

PMHA shall deny or terminate homeownership assistance for the following reasons:

1. Failure to comply under basic voucher program rules.
2. Failure to comply with family obligations.
3. Mortgage default resulting in foreclosure and/or Sheriff's sale of the property.

### **ELIBIGBILITY FOR CONTINUED ASSISTANCE**

If a participant in the Foreclosure Prevention program defaults on his or her home mortgage loan and loses the home in foreclosure and/or Sheriff sale, housing assistance payments will immediately terminate, and the participant will not be able to use his or her homeownership voucher for rental assistance, but may reapply to the Section 8 waiting list.

**Chapter 23**  
**MODERATE REHABILITATION PROGRAM**  
(24 CFR Part 5, Subpart D; 982.54(d) (1); 982.204, 982.205; 982.206)

**A. WAITING LIST**

PMHA uses a separate waiting list for admission to its Moderate Rehabilitation Program.

The waiting list rank is by date and time of application and bedroom size.

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

1. Applicant Name
2. Date and Time of Application
3. Racial or Ethnic Designation of Head of Household
4. Number of Persons in the Family

The Moderate Rehabilitation application process will involve two phases: The first is for placement on the waiting list. The second phase is called final eligibility (referred to as the full application). The full application takes place when there is a vacancy. At that time, PMHA ensures verification of HUD and PMHA eligibility factors to determine the family's eligibility.

PMHA will utilize the following procedures for opening the waiting list:

The Moderate Rehabilitation waiting list is closed when there is an adequate pool for each available bedroom size. The bedroom sizes are 1, 2, 3; the waiting list will maintain no more than 200 families. The PHA may stop accepting applications entirely, or may accept only applications meeting the criteria of various bedroom sizes as waiting list demand dictates. When the waiting list is open for one or more bedroom sizes, notice of the waiting list opening will be posted on the HCVP web site. Local social service agencies will also be notified. Waiting list closing will be advertised by the same means.

**B. MODERATE REHABILITATION REFERRAL SYSTEM**

When PMHA is notified of a vacancy, it will send referrals from the Moderate Rehabilitation (Mod Rehab) waiting list to the Mod Rehab owner. PMHA will contact the first family on the appropriate bedroom size waiting list and if the family is interested in the Mod Rehab unit PMHA will refer the family to the owner. If the family refuses the unit, the refusal will be noted and the next person on the waiting list will be contacted. Once the family has refused a referral to two like units for their family type, the family will be withdrawn from the Mod Rehab waiting list.

If a family is not accepted by the Mod Rehab owner, the owner must document the reason for the refusal on a form provided by PMHA. The owner may refuse any family so long as the owner

has a valid reason and does not unlawfully discriminate. The owner refusal will be noted, and the family will remain in order on the appropriate bedroom size waiting list.

Owners of Mod Rehab properties can refer applicants to PMHA for placement onto the Mod Rehab waiting list(s) when they are open. Referrals must meet bedroom eligibility requirements.

### **C. CLAIMS IN THE MODERATE REHABILITATION PROGRAM**

#### **Owner Claims**

Under Moderate Rehabilitation contracts, owners may make "special claims" for damages, unpaid rent, and vacancy loss after the tenant has vacated the unit.

Owner claims for payment for unpaid rent, damages, or vacancy loss will be reviewed for accuracy and completeness and compared with records in the file. PMHA establishes standards by which to evaluate claims, but the burden of proof rests with the owner. The file will also be reviewed to verify owner compliance at the time the contract was terminated.

PMHA will pay properly filed claims to the owner as a function of the contract, but the tenant is ultimately responsible to reimburse the PHA for claims paid to the owner.

For units under a Certificate HAP contract effective before October 2, 1995, if the family vacates the unit without proper notice in writing to the owner, the family will be responsible for any vacancy loss paid by PMHA.

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease mid-month. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may only overlap for the one month in which the family moves into another subsidized unit.

If the contract was terminated for owner breach, or the owner was in violation of the contract at the time it was terminated, there will be no entitlement to claims.

#### **Unpaid Rent**

Unpaid rent only applies to the tenant's portion of rent while the tenant is in residence under the assisted lease. It does not include the tenant's obligation for rent beyond the termination date of the HAP contract.

Separate agreements are not considered a tenant obligation under the lease and PMHA will not reimburse the owner for any claims under these agreements.

#### **Damages**

All claims for damages must be supported by the actual bills for materials and labor and a copy of the cancelled checks or other receipts documenting payment. Invoices or bills from individuals providing labor must include their name, address and telephone number.

### **Processing Claims**

Families will be notified when a claim has been made and offered an informal hearing within 30 days.

Any amount owed by the tenant to the owner for unpaid rent or damages will first be deducted from the maximum security deposit which the owner could have collected under the program rules. If the maximum allowable security deposit is insufficient to reimburse the owner for the unpaid tenant rent or other amounts which the family owes under the lease, the owner may request reimbursement from PMHA up to the limits for the program.

If the owner claims vacancy loss, the security deposit that s/he collected or could have collected will be deducted from the vacancy loss claim.

If the family continues to receive housing assistance under another program, PMHA will notify the family in writing of the decision. If it has been determined that the family owes money, PMHA will pursue collection to repay either in a lump sum or through a payment agreement. The notice will warn the family that their assistance may be terminated and they may be denied future participation in the program if they do not reimburse PMHA as required. Costs of filing an eviction to remove the tenant or any other legal fees may not be reimbursed.

No claims will be paid for a unit which is vacant as the result of the landlord voluntarily moving a family to another unit owned by the same landlord.

All unpaid rent, damage, and vacancy loss claim forms must be fully complete when they are submitted, and they must be submitted within 30 days of the date the owner learned of the move-out.

## Section 8 Administrative Plan

### Addendum A AFFIRMATIVELY FURTHERING FAIR HOUSING

It is a goal of the Portage Metropolitan Housing Authority (PMHA) to promote non-discrimination and to provide fair and equal housing opportunities for all. To that end, PMHA undertakes extraordinary efforts to affirmatively further fair housing.

The PMHA's Section 8 Program is designed to achieve three major goals: (1) to provide decent, safe and sanitary housing for very low income families while maintaining their rent payments at an affordable level; (2) to promote freedom of housing choice and spatial deconcentration of very low-income families of all races and ethnic backgrounds; and (3) to provide an incentive to private property owners to rent to very low-income families by offering timely assistance payments. In addition, PMHA strives to encourage self-sufficiency of assisted families.

In furtherance of its commitment to full compliance with applicable civil rights laws, the PMHA provides information to Section 8 program participants regarding discrimination and corrective actions that are available to them if they feel they have been victims of discrimination. This information is made available to participating families during the Section 8 Briefing Session. All applicable Fair Housing information and Discrimination Complaint forms are also provided to program participants at the time of the Section 8 Briefing Session.

The PMHA strives for objectivity and consistency in the application of eligibility guidelines governing the administration of the Section 8 program. PMHA staff reviews family information without regard to any factors other than the eligibility determinants set forth in the Section 8 Administrative Plan. Each family is provided with the opportunity to explain their circumstances, to furnish additional supporting documents/information, and to receive an explanation of any decisions made by PMHA in connection with their application for housing assistance.

The ultimate goals of all of these actions are the elimination of impediments to fair housing, to remedy discrimination in housing, and to promote fair housing rights and fair housing choice.

PMHA will also take steps to affirmatively further fair housing in its Family Self-Sufficiency (FSS) program and will maintain records of those steps and their impacts. PMHA will: (1) advertise widely in the community for the coordinator position, (2) market the FSS program to all eligible persons, including persons with disabilities and

person with limited English proficiency, (3) make buildings and communications that facilitate applications and service delivery accessible to persons with disabilities, (3) provide fair housing counseling services or referrals to fair housing agencies to program participants, (5) inform program participants of how to file a fair housing complaint, including providing the toll-free number for the Housing Discrimination Hotline, and (6) recruit landlords and service providers in areas that expand housing choice to program participants.

The City of Kent is the only community in Portage County that has a Consolidated Plan and thus, prepares an analysis of impediments to fair housing. According to Kent's Consolidated Plan, the impediments to affordable housing include: high cost of rental housing fueled by competition from university students, lack of public transportation and prejudice towards minorities and special needs populations. PMHA works with the City of Kent and other local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require PMHA's involvement to affirmatively further fair housing.

The local fair housing advocacy agency, Fair Housing Contact Service, offers many services to landlords and tenants in order to educate them on fair housing laws. The PMHA, as a paying member of Fair Housing Contact Service, receives newsletters and brochures for distribution to Section 8 landlords and tenants. In the past, PMHA sponsored a workshop conducted by Fair Housing Contact Service aimed at educating Section 8 landlords. In addition, Fair Housing Contact Services completed a staff development session for employees of PMHA.

The steps above are in addition to the on-going administrative efforts followed in order to comply with civil rights laws. PMHA works with local partner agencies to assist families with accessing supportive services. The agency also provides assistance to voucher holders searching for units, approves higher rents for accessible units and provides assistance to owners regarding program access. Additionally, PMHA works to identify potential funds for accessibility.

PMHA routinely furthers fair housing by distributing fair housing materials and discrimination complaint forms at all briefing sessions and maintains a landlord discrimination complaint log. PMHA distributes information on how to file a fair housing complaint and the toll free number (1.800.669.9777) for the Housing Discrimination Hotline (and the Federal Information Relay Service, 1.800.887.8339) in the Section 8 Briefing packet. In addition, complaint forms and hotline number are displayed in the PMHA lobby and are available at the front desk. In addition, PMHA completes ongoing reviews of its programs.

At least annually, staff prepares demographic reports of various components of the Section 8 program, in order to ensure the fair treatment of applicants and participants. PMHA maintains records of the analyses and actions relating to steps taking to affirmatively further fair housing requirements of 24 CFR Part 903.7(o).

## **GLOSSARY**

### **A. ACRONYMS USED IN SUBSIDIZED HOUSING**

<b>AAF</b>	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustments.
<b>ACC</b>	Annual Contributions Contract
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant
<b>CFP</b>	Certificate of Family Participation
<b>CFR</b>	Code of Federal Regulations. Commonly referred to as “the regulations”. The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
<b>CPI</b>	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
<b>CR</b>	Contract Rent
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act - Social Security taxes
<b>FMHA</b>	Farmers Home Administration
<b>FMR</b>	Fair Market Rent
<b>FY</b>	Fiscal Year
<b>FYE</b>	Fiscal Year End
<b>GAO</b>	Government Accounting Office
<b>GFC</b>	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).

<b>GR</b>	Gross Rent
<b>HA</b>	Housing Agency, specifically Portage Metropolitan Housing Authority
<b>HAP</b>	Housing Assistance Payment
<b>HAP Plan</b>	Housing Assistance Plan
<b>HCDA</b>	Housing and Community Development Act
<b>HQS</b>	Housing Quality Standards
<b>HURRA</b>	Housing and Urban/Rural Recovery Act of 1983
<b>HV</b>	Housing Voucher
<b>IG</b>	Inspector General
<b>IGR</b>	Independent Group Residence
<b>IPA</b>	Independent Public Accountant
<b>IRA</b>	Individual Retirement Account
<b>MSA</b>	Metropolitan Statistical Area established by the U.S. Census Bureau

**MTW** Moving To Work Demonstration program, entered into by PMHA with HUD in April 1999 for a five year period. Moving To Work permitted PMHA to create and implement, with HUD approval, rules and program procedures that otherwise are not permitted by the Housing Act of 1937 or other federal regulation.

**PMHA** Portage Metropolitan Housing Authority

<b>PMSA</b>	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PS</b>	Payment Standard
<b>QC</b>	Quality Control
<b>RFTA</b>	Request for Tenancy Approval
<b>RFP</b>	Request for Proposals
<b>SRO</b>	Single Room Occupancy

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

## **B.GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

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

**ACC RESERVE ACCOUNT (FORMERLY “PROJECT RESERVE”).** Account established by HUD from amounts by which the maximum payment to the housing authority under the consolidated ACC (during a housing authority fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ADMINISTRATIVE FEE.** Fee paid by HUD to the housing authority for administration of the program.

**ADMINISTRATIVE FEE RESERVE (Formerly “Operating reserve”).** Account established by the housing authority from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

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

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written contract between HUD and a housing authority. Under the contract HUD agrees to provide funding for operation of the program, and the housing authority agrees to comply with HUD requirements for the program

**ANNUAL INCOME.** The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**ANNUAL INCOME AFTER ALLOWANCES.** The annual income (described above) less the HUD-approved allowances.

**APPLICANT.** (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

**ASSETS.** (See Net Family Assets.)

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**BUDGET AUTHORITY.** An amount authorized and appropriated by the Congress for payment to housing authority's under the program. For each funding increment in a housing authority program, budget authority is the maximum amount that may be paid by HUD to the housing authority over the ACC term of the funding increment.

**CERTIFICATE OF FAMILY PARTICIPATION.** A certificate issued by the housing authority under the Section 8 Rental Assistance Program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation.

**CHILD CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

**CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT.** (Consolidated ACC). See 24 CFR 982.151.

**CONTIGUOUS MSA.** In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial 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.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**CONTRACT AUTHORITY.** The maximum annual payment by HUD to a housing authority for a funding increment.

**CONTRACT RENT.** The total rent paid to the owner, including the tenant payment and the HAP payment from the housing authority.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

**DISABLED PERSON.** A person who is any of the following:

- (1) A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).
- (2) A person who has a physical, mental, or emotional impairment that:
  - (i) Is expected to be of long-continued and indefinite duration;
  - (ii) Substantially impedes his or her ability to live independently; and

(iii) Is of such a nature that ability to live independently could be improved by more suitable housing conditions.

- (3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

**DISPLACED PERSON.** A person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

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

**DRUG-RELATED CRIMINAL ACTIVITY.** Term means:

- (1) Drug-trafficking; or
- (2) Illegal use, or possession for personal use of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

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

**ELDERLY HOUSEHOLD.** A family whose head or spouse or whose sole member is at least 62 years of age or a Disabled Person as defined in this section or a Handicapped Person as defined in this section or may include two or more elderly, disabled or handicapped persons living together or one or more such persons living with another person who is determined to be essential to his/her care and well-being.

**ELDERLY PERSON.** A person who is at least 62 years old.

**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted eligibility income, per se, because annual income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY (Family).** A family is defined by the housing authority in the administrative plan, which is approved by HUD.

**EXCEPTIONAL MEDICAL OR OTHER EXPENSES.** Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

**EXCEPTION RENT.** An initial rent (contract rent plus any utility allowance) in excess of the published FMR. The exception rent is approved by HUD, or the housing authority under prescribed conditions, and is used in determining the initial contract rent. In the voucher

program the housing authority may adopt a payment standard up to the exception rent limit approved by HUD for the housing authority voucher program.

**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly families only in excess of 3% of annual income which are not reimbursable from any other source.

**FAIR MARKET RENT (FMR).** The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the Federal Register in accordance with 24 CFR part 882.

**FAMILY.** The applicant must qualify as a family as defined by the housing authority.

**FAMILY OF VETERAN OR SERVICE PERSON.** A family is a “family of veteran or service person” when:

1. The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.
2. The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM).** The program established by a housing authority to promote self-sufficiency of assisted families, including the provision of supportive services.

**FMR/EXCEPTION RENT LIMIT.** The section 8 existing housing fair market rent published by HUD headquarters or any exception rent. The initial contract rent for a dwelling unit plus any utility allowance may not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the voucher program the housing authority may adopt a payment standard up to the FMR/exception rent limit.

**FOSTER CHILD CARE PAYMENT.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT.** A person who is 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.

**FUNDING INCREMENT.** Each commitment of budget authority by HUD to a housing authority under the consolidated annual contributions contract for the housing authority program.

**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.

**GROSS RENT.** The sum of the Contract Rent and the utility allowance. If there is no utility allowance, Contract Rent equals Gross Rent.

**HANDICAP ASSISTANCE.** Anticipated costs for care attendants and auxiliary apparatus for handicapped or disabled family members which enable a family member (including the handicapped family member) to work.

**HANDICAPPED PERSON.** [Referred to as a Person with a Disability]. A person having a physical or mental impairment which:

- (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.

**HAP CONTRACT.** (See Housing Assistance Payments contract.)

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

**HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.** Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

**HOUSING ASSISTANCE PAYMENT.** The monthly assistance payment by a housing authority. The total assistance payment consists of:

- (1) A payment to the owner for rent to owner under the family's lease.
- (2) An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

**HOUSING ASSISTANCE PAYMENTS CONTRACT.** (HAP contract). A written contract between a housing authority and an owner in the form prescribed by HUD headquarters, in which

the housing authority agrees to make housing assistance payments to the owner on behalf of an eligible family..

**HOUSING QUALITY STANDARDS (HQS).** The HUD minimum quality standards for housing assisted under the tenant-based programs.

**HUD REQUIREMENTS.** HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

**HURRA.** The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$4,000.

**INCOME.** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**INCOME FOR ELIGIBILITY.** Annual Income.

**INDIAN.** Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

**LANDLORD.** This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

**LEASE.** A written agreement between an owner and an eligible family for the leasing of a housing unit.

The Section 8 Voucher program has an Addendum to Lease that has mandatory language which must be incorporated into any lease the housing authority uses.

**LIVE-IN AIDE.** A person who resides with an elderly person or disabled person and who:

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

**LOCAL PREFERENCE.** A preference used by the housing authority to select among applicant families without regard to their federal preference status.

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

**MARKET RENT.** The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 voucher holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. A deduction for Elderly Households only. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income.

**MINOR.** A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

**MONTHLY ADJUSTED INCOME.** 1/12 of the Annual Income after Allowances or Adjusted Income.

**MONTHLY INCOME.** 1/12 of the Annual Income.

**NEGATIVE RENT.** Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

**NET FAMILY ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

**NET FAMILY CONTRIBUTION.** Former name for Tenant Rent.

**OCCUPANCY STANDARDS.** [Now referred to as Subsidy Standards] Standards established by an HA to determine the appropriate number of bedrooms for families of different sizes and compositions.

**OWNER.** Any persons or entity having the legal right to lease or sublease housing.

**PARTICIPANT.** A family that has been admitted to the housing authority's voucher 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 term).

**PAYMENT STANDARD.** The amount used to calculate the housing assistance a family will receive in the housing authority's housing voucher program.

**PUBLIC ASSISTANCE.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**RECERTIFICATION.** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.

**REMAINING MEMBER OF TENANT FAMILY.** Person left in assisted housing after other family members have left and become unassisted.

**RENT TO OWNER.** This is the total amount of rent payable to the owner by the family and the housing authority per month for an assisted unit.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or well-being. A resident assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals. (See Sections 882.109(n), 882.106(c) and 882.102 definitions in Appendix 1 of 7420.7.).

**SECURITY DEPOSIT.** A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

**SERVICE PERSON.** A person in the active military or naval service (including the active reserve) of the United States.

**SINGLE PERSON.** A person living alone or intending to live alone.

**SPOUSE.** The husband or wife of the head of the household.

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

- (1) Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
- (2) Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or
- (3) Direct loans pursuant to Section 202 of the Housing Act of 1959; or
- (4) Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;
- (5) Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;
- (6) A Public Housing Project.

**TENANT RENT.** (Formerly called Net Family contribution.) The amount payable monthly by the family as rent to the owner (including a public housing authority in other programs). Where all utilities (except telephone) and other essential housing services are supplied by the owner, Tenant Rent equals Total Tenant Payment. Where some of all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost thereof is not included in the amount paid as rent to the owner, Tenant Rent equals Total Tenant Payment less the Utility Allowance. In the voucher program, Tenant Rent is Rent to Owner less HAP.

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**UNIT.** Residential space for the private use of a family.

**UNUSUAL EXPENSES.** Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

**UTILITIES.** Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a public housing authority or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

**UTILITY REIMBURSEMENT PAYMENT.** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS.** (For contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the housing authority as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

**VERY LOW INCOME FAMILY.** A Lower-Income Family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Voucher Program.

**VETERAN.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

**VOUCHER HOLDER.** A family holding a voucher or with unexpired search time.

**WAITING LIST.** A list of families organized according to HUD regulations and housing authority policy who are waiting for subsidy to become available.

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

## **C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE**

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

**CITIZEN.** A citizen or national of the United States.

**EVIDENCE.** Evidence of citizenship or eligible immigration status means the documents which must be submitted to evidence citizenship or eligible immigration status.

**HEAD OF HOUSEHOLD.** The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

**INS.** The U.S. Immigration and Naturalization Service.

**MIXED FAMILY.** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**NATIONAL.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**NONCITIZEN.** A person who is neither a citizen nor nation of the United States.

**RESPONSIBLE ENTITY.** The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the housing authority).

**SECTION 214.** Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

**SPOUSE.** Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or “co-heads.” “Co-head” is a term recognized by some HUD programs, but not by public and Indian housing programs.