HOUSTON
HOUSING AUTHORITY

ADMINISTRATIVE PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM & RENTAL ASSISTANCE PROGRAMS

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CHAPTER 1: OVERVIEW OF THE PROGRAM AND PLAN

1.1 INTRODUCTION

The Houston Housing Authority (HHA) is a Public Housing Authority (PHA) that receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development (HUD). HHA enters into an Annual Contributions Contract (ACC) with HUD to administer the program requirements on behalf of HUD. HHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

1.2 ORGANIZATION AND STRUCTURE OF HHA

HHA was first created by the Houston City Council in 1938 in response to federal legislation (the United States Housing Act of 1937) and enabling state legislation that charged local entities with providing decent, safe, and sanitary housing for low to moderate-income families and individuals.

The officials of HHA are known as commissioners or, collectively, as the board of commissioners. Commissioners are appointed in accordance with state housing law and are generally responsible for establishing policies under which HHA conducts business, ensuring that policies are followed by HHA staff and ensuring that the HHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions are taken through written resolutions, adopted by the board of commissioners and entered into HHA's official records.

The principal staff member of HHA is the President and Chief Executive Officer (CEO), hired and appointed by the board of commissioners. The President and CEO is directly responsible for carrying out the policies established by the board and is delegated the responsibility for hiring, training and supervising HHA staff in order to manage the day-to-day operations of the HHA. The President and CEO is responsible for ensuring compliance with federal and state laws and directives for the programs managed. In addition, the President and CEO's duties include budgeting and financial planning for the agency.

1.3 HHA'S MISSION

The mission of the Houston Housing Authority (HHA) is to improve lives by providing quality, affordable housing options and promoting education and economic self-sufficiency.

The mission of HHA's HCV Program is to, "provide access to safe, decent, and sanitary housing for lower-income persons through efficient management of the program." In addition, the HCV program "promotes economic upward mobility through the Family Self Sufficiency (FSS) Program to help clients' transition from subsidized to non-subsidized housing."

1.4 JURISDICTION

HHA's area of operation is the area geographically defined as the Houston City limits and any area within five (5) miles of the territorial boundaries of the Houston City limits that is not within the territorial boundaries of another municipality with a PHA that administers an HCV program.

1.5 COMMITMENT TO ETHICS AND SERVICE

As a public service agency, HHA is committed to providing excellent service to HCV program participants, owners, and to the community. HHA's standards include:

1. Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
2. Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
3. Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service needs.
4. Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
5. Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
6. Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
7. Create positive public awareness and expand the level of family, owner, and community support in accomplishing HHA's mission.
8. Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
9. Administer an efficient, high-performing agency through continuous improvement of HHA's support systems and a high level of commitment to our employees and their development.

HHA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

1.6 OVERVIEW AND PURPOSE OF THE ADMINISTRATIVE PLAN

The purpose of the Administrative Plan is to establish policies for administering the HCV program in a manner consistent with HUD requirements and local goals. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, HUD-approved waivers, and other applicable law.

Definitions for key terms used throughout this Plan may be found in **GLOSSARY OF TERMS AND DEFINITIONS** chapter.

1.7 PROGRAMS ADMINISTERED BY HHA

The Administrative Plan is applicable to the operation of the HCV program, including Tenant-Based (TBV) and Project-Based Voucher (PBV) assistance. In addition, this Plan addresses policies for the following programs:

- Emergency Housing Voucher Program (EHV) – program will sunset no later than the end of CY 2026.
- Foster Youth Initiative (FYI)
- Family Unification Program (FUP)
- Family Unification Program-Youth (FUP-Youth)
- Mainstream Voucher Program
- Mod Rehab Program (Mod Rehab)
- Non-Elderly Disabled (NED) vouchers
- Rental Assistance Demonstration (RAD)
- Transition Age Youth (TAY)
- Tenant-Based Rental Assistance (TBRA)
- Veteran's Affairs Supportive Housing (VASH)

Additional policies related to HHA's Family Self Sufficiency (FSS) Program are included in a separate document, the FSS Action Plan.

1.8 UPDATING AND REVISING THE PLAN

New HUD regulations or other required guidance will apply when issued. HHA will update the Administrative Plan as needed to reflect these changes in regulations, HHA operations, or when needed to ensure staff consistency in operation.

The original plan and any changes are approved by HHA's Board of Commissioners. HHA may make non-substantive changes and edits to the Administrative Plan to clarify policy language.

The Administrative Plan is available for public review.

1.9 REGULATORY AND STATUTORY WAIVERS

During periods of declared states of emergency, as certified by the applicable government designee with authority in HHA's jurisdiction, HHA may adopt HUD published regulatory and/or statutory waivers to respond to the emergency. Where such waivers are adopted, HHA will retain documentation to identify the statute/regulation being waived, as well as the alternative requirement and period start and end dates for such waivers.

Where a waiver allows HHA to adopt and implement changes to the Administrative Plan without formal board approval, such informally adopted policies will be formally adopted and implemented consistent with required timelines and fair housing and equal opportunity statutes and regulations. HHA will follow applicable HUD tenant notification guidance regarding changes to policies, rules and/or special charges to tenants.

1.10 INSUFFICIENT FUNDING

In the event of a funding shortfall, HHA may modify its policies in order to address HUD requirements and/or to improve HCV program finances. Accordingly, as part of an action plan to address an actual or projected funding shortfall, HHA may temporarily or permanently waive or modify provisions of the Administrative Plan and/or take other actions as needed including, but not limited to, waiving or modifying voucher issuance, payment standard, rent increase and or other policies and provisions.

1.11 MOVING TO WORK (MTW) DESIGNATION

HHA has entered into a Moving to Work (MTW) Amendment to the Annual Contributions Contract (ACC) with HUD. This MTW designation allows HHA to design and test innovative methods of providing housing and delivering services to low-income households in an efficient and effective manner.

HHA's participation in the expansion of the MTW demonstration is governed by the MTW Operations Notice for the Expansion of the Moving to Work Demonstration as it is issued and may be amended in the future, or any successor notice issued by HUD. As a participant in the MTW demonstration, HHA must operate in accordance with the express terms and conditions set forth in the MTW Operations Notice.

The term of the amendment is for 20 years from the beginning of the HHA's first full fiscal year following execution by HHA and HUD; or, until termination of the MTW amendment to the ACC, whichever is sooner.

As a participant in the MTW program, HHA is exempted from specific provisions of the Housing Act of 1937 (the Act) and its implementing regulations as specified in the MTW Operations Notice; however, HHA remains subject to all other applicable requirements including, but not limited to, those in Title 24 of the Code of Federal Regulations and Title 42 of the U.S. Code, Appropriations Acts. HHA is part of MTW *Cohort #2* which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens.

HHA's MTW policies are referenced throughout this Plan, including which policies are applicable to specified program and household types. Additionally, general MTW policies and a summary of policies are provided in the **MOVING TO WORK (MTW) PROGRAM AND POLICIES** chapter.

1.12 HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA) OF 2016

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs.

- **Sections 102 & 104:** The Final Rule implementing broad changes to income and asset in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes

described in the Final Rule; this was reissued on February 2, 2024 to provide revisions and further guidance.

  - Subsequently, the implementation of certain provisions of sections 102 and/or 104 of HOTMA have been delayed by HUD, while others are set to be implemented effective for recertifications effective on or after July 1, 2025, pursuant to Notice PIH 2024-38. HHA has updated its policies throughout this Plan to incorporate HOTMA requirements according to applicable guidance that is available as of the date of this Plan.

  - Provisions of HOTMA for which implementation has been delayed by HUD may be referenced throughout this Plan with a note to indicate that the provision has been delayed and is not able to be implemented until further instruction from HUD.

- **Section 103:** The provisions under Section 103 are discussed in HHA's Admissions and Continued Occupancy (ACOP) Policy, as they relate to public housing residents.

- **Sections 101, 105, 106, and 112:** On May 7, 2024 HUD published a Final Rule in the *Federal Register* implementing further changes under HOTMA, specific to Sections 101, 105, 106, and 112 of HOTMA and in reference to the October 8, 2020 proposed rule. The effective date of the rule is June 6, 2024; however, PIH Notice 2024-19 details the effective dates of certain provisions under this rule. In addition, PIH Notice 2024-34 provides guidance on updated policy provisions related to HCV program payment standards.

  - As of the date of this Plan HHA is awaiting further implementation guidance from HUD regarding these provisions, including certain PBV provisions that, pursuant to PIH Notice 2024-19, have been delayed indefinitely. HHA will update the Plan accordingly as additional guidance becomes available.

HHA has updated its policies throughout this Plan to incorporate HOTMA requirements according to applicable guidance that is available as of the date of this Plan. As of the date of this Plan, HHA is awaiting further guidance from HUD regarding the implementation of certain provisions of HOTMA and related requirements, as well as information that will be used by HHA to determine its internal compliance and implementation dates of various provisions.

HHA will update this Plan and its policies as needed to reflect any subsequent guidance released by HUD pertaining to HOTMA, the Final Rule, and other related regulatory requirements. HHA will comply with the HOTMA Final Rule and all requirements, with the exception of policies that have been waived by HHA pursuant to an authorized and approved MTW Activity.

1.13 National Standards for the Physical Inspection of Real Estate (NSPIRE)

As of the date of this Plan, HUD has released guidance extending the compliance date for implementation of the National Standards for the Physical Inspection of Real Estate (NSPIRE) referenced in the **INSPECTIONS** chapter and throughout this Plan until February 1, 2027. As of the date of this Plan, HHA is awaiting additional administrative guidance from HUD regarding the new compliance date and any related revisions. HHA will establish an NSPIRE compliance date that is on or prior to February 1, 2027. In the meantime, HHA will continue to utilize the Housing Quality Standards (HQS) methodology

and policies outlined in the FY 2024 Board-Approved Administrative Plan. The NSPIRE-related provisions referenced in this Plan will become effective as of the HHA-established NSPIRE compliance date.

CHAPTER 2: MOVING TO WORK (MTW) PROGRAM AND POLICIES

2.1 OVERVIEW

As a participant in the MTW program, HHA is exempted from specific provisions of the Housing Act of 1937 (the Act) and its implementing regulations as specified in the MTW Operations Notice; however, HHA remains subject to all other applicable requirements including, but not limited to, those in Title 24 of the Code of Federal Regulations and Title 42 of the U.S. Code, Appropriations Acts.

HHA is part of MTW *Cohort #2* which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. Under this activity, HHA will implement an income-based flat tiered rent model applicable to HCV program families who are randomly selected to participate in the MTW alternative rent evaluation initiative and assigned to the MTW Tiered Rent Treatment Group.

2.2 MTW TIERED RENT TREATMENT, CONTROL, AND EXCLUDED GROUPS

HHA, as part of MTW Cohort #2, is required to apply MTW policies to specific groups of randomly selected program participants (the "MTW Tiered Rent Treatment Group"); and conversely, cannot apply other MTW policies to randomly selected participants (the "MTW Control group"). Finally, HHA has discretion to apply certain MTW policies to a third group of participants outside of the Treatment and Control groups, referred to as the "MTW Excluded group". Outlined below are the definitions of the participants who make up each of the aforementioned groups. This Plan identifies the policies and related group for which the policy is applicable. Where there is no policy distinction, the policy applies to all groups. Applicable households who are part of RAD conversions to PBV may be assigned to the Treatment or Control groups.

1. **MTW Tiered Rent Treatment Group**: Non-elderly, non-disabled households who were randomly selected, during the initial 12-month enrollment period, to have their rent calculated using the HHA's required Tiered Rent policy. This includes randomly selected existing participants as well as applicable, randomly selected new admissions during the initial enrollment period.

   Note: if a household is assigned to the tiered rent rules group but then subsequently becomes disabled (meets HUD definition of disabled) HHA can switch the household to the standard rent rules.

2. **MTW Control Group (not included in Tiered Rent):** Non-elderly, non-disabled households who were randomly selected to have their rent calculated in accordance with standard HCV program regulations with no MTW waivers applied, unless otherwise approved by HHA and/or HUD. Tiered Rent does not apply to participants in the control group.

3. **MTW Excluded Group:** the following households are not included in the MTW Tiered Rent policy; however, may have certain MTW policies applied to them as approved by HHA and/or HUD.

   a. All new admissions after the initial enrollment period;

b. Head, Co-Head, Spouse 56 years of age or older;

c. Head, Co-Head, Spouse is disabled;

    i. Household must meet the HUD definition of *disabled household* to be excluded and may self-certify that they have applied for Social Security (disability) for the head, co-head or spouse.

d. Households in the homeownership program;

e. Current FSS participants;

f. HCV $0 HAP households;

g. Mixed eligibility families;

h. Households receiving Earned Income Disregard (EID) at RA;

i. Households living in developments that underwent a PBRA RAD conversion (not excluded if PBV conversion);

j. Households in phase-in period under RAD protections;

k. Port-outs;

l. Port-ins (Administered);

m. Households who are not yet indicated as disabled according to HUD definition, but:

    i. Have been approved to receive SSI/SSDI but have not yet received first payment; or

    ii. Have a pending SSI/SSDI application in (applied recently and waiting to learn of approval status).

4. **Non-MTW and Special Purpose Vouchers (SPVs):** the following households are not included in the MTW Tiered Rent policy; however, may have certain MTW policies applied to them as approved by HHA and/or HUD.

    a. VASH;

    b. Mod Rehab;

    c. Enhanced Vouchers;

    d. Shelter Plus Care;

    e. Family Unification Program;

    f. Foster Youth;

    g. Homeless;

    h. Emergency Housing Vouchers;

    i. Mainstream

    j. Tenant Protection Voucher (still under Enhanced Voucher requirements);

    Where special purpose vouchers are concerned, HHA may choose to apply MTW policies to the extent that such policies are not in conflict with the applicable NOFA. In the event

of a conflict, the NOFA will govern. HHA may apply for waivers for VASH and Emergency Housing Vouchers in order to apply the MTW policies to these households.

See the **Chart of MTW Policies** below for more information about which MTW policies are applicable to each of the groups mentioned above.

2.3 CHART OF MTW POLICIES

The following table reflects the MTW policies contained in HHA's Administrative Plan including the respective effective date for each policy initiative and modification.

Waiver	Title / Description	Approved FY	Section of Admin Plan	Applicable Programs / Households
Tiered Rent Policies				
1.b.	Tiered Rent	FY 2022	• **Tiered Rent**	MTW – Treatment Group only
1.s.	Elimination of Deductions	FY 2022	• **Adjusted Income**	MTW – Treatment Group only
1.w.	Alternative Income Inclusions/Exclusions	FY 2022	• **Excluded Income – MTW Policy**	All MTW-assisted households
Payment Standards and Rent Reasonableness				
2.a.	Payment Standards – Small Area Fair Market Rents	FY 2022	• **Payment Standards**	All MTW Tenant-Based households
2.d.	Rent Reasonableness – Third-Party Requirement	FY 2023	• **Rent for HHA-Owned Units**	All HHA-owned PBV households
Reexaminations				
3.b.	Alternative Reexamination Schedule for Households	FY 2022	• **Frequency of Regular Reexaminations**	MTW Tiered Rent Treatment Group MTW Excluded Group: approved and plan to implement in FY 2025
3.d.	Self-Certification of Assets	FY 2022	• **Verification of Assets**	All MTW-assisted households
Landlord Leasing Incentives				

Waiver	Title / Description	Approved FY	Section of Admin Plan	Applicable Programs / Households
4.a.	Vacancy Loss	FY 2024	• **Landlord Leasing Incentives**	All Tenant-Based MTW-assisted households
4.b.	Damage Claims	FY 2024	• **Landlord Leasing Incentives**	All Tenant-Based MTW-assisted households
4.c.	Other Landlord Incentives	FY 2024	• **Landlord Leasing Incentives**	All Tenant-Based MTW-assisted households
Housing Quality Standards/NSPIRE				
5.a.	Pre-Qualifying Unit Inspections	FY 2022	• **Inspecting Units** • **Inspecting Units** (PBV)	All MTW-assisted households
5.c.	Third-Party Requirement	FY 2022	• **Inspection of HHA-owned Units** • **Inspecting HHA-Owned Units** (PBV)	All HHA-owned PBV units
5.d.	Alternative Inspection Schedule	FY 2022	• **Biennial Inspection** • **Biennial Inspections** (PBV)	All MTW-assisted households
Project-Based Voucher Program Flexibilities				
9.a.	Increase PBV Program Cap	FY 2025	• **PBV Program Cap**	PBV Program
9.b.	Increase PBV Project Cap	FY 2022	• **PBV Project Cap**	PBV program
9.c.	Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement	FY 2022	• **PBV Selection Process for HHA-Owned Units**	PBV program
Family Self-Sufficiency Program with MTW Flexibility				
10.d.	Modify or Eliminate the Contract of Participation	FY 2024	• See FSS Action Plan	All MTW-assisted households
Agency-Specific Waivers				
Agency-Specific	Alternative Verification Methods	FY 2022	• **Alternative Verification Requirements** • **Alternative Verification Hierarchy**	All MTW-assisted households

Additionally, see the **HARDSHIP POLICIES** chapter and **MTW Hardships** section for more information about applicable hardship policies for MTW households.

CHAPTER 3: FAIR HOUSING AND EQUAL OPPORTUNITY

3.1 OVERVIEW

This chapter explains the laws and HUD regulations requiring HHA to affirmatively further civil rights and fair housing in all federally assisted housing programs. The letter and spirit of these laws are implemented through consistent policies and processes. The responsibility for further nondiscrimination pertains to all areas of HHA's HCV operations.

3.2 NON-DISCRIMINATION

HHA treats all applicants and clients equally, providing the same quality of service, regardless of household characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and/or disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. HHA will comply with all applicable federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

1. Title VI of the Civil Rights Act of 1964
2. Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
3. Executive Orders 11063 and 13988
4. Section 504 of the Rehabilitation Act of 1973
5. The Age Discrimination Act (ADA) of 1975
6. Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
7. The Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity Final Rule, published in the Federal Register February 3, 2012 and further clarified in Notice PIH 2014-20;
8. Violence Against Women Reauthorization Act (VAWA).

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of participating households, applicants, or staff that may subsequently be enacted will also apply.

3.2.1 Protected Classes

HHA will not discriminate on the basis of race, color, sex, religion, familial status, age, disability, national origin, gender identity, marital status or sexual orientation (called *protected classes*).

HHA will not use any of the household characteristics or background described above to:

1. Deny to any household the opportunity to apply for housing, nor deny any qualified applicant the opportunity to participate in the Housing Choice Voucher program;
2. Provide housing that is different from that provided to others;
3. Subject anyone to segregation or disparate treatment;
4. Subject anyone to sexual harassment;
5. Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
6. Treat a person differently in determining eligibility or other requirements for admission;
7. Steer an applicant or client toward or away from a particular area based any of these factors;
8. Deny anyone access to the same level of services;
9. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
10. Discriminate in the provision of residential real estate transactions;
11. Discriminate against someone because they are related to or associated with a member of a protected class; or
12. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

3.2.2 Providing Information to Families and Owners

HHA takes steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, HHA provides information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

3.3 DISCRIMINATION COMPLAINTS

3.3.1 General Housing Discrimination Complaints

Applicants or households that believe they have been subject to unlawful discrimination may notify HHA. HHA will attempt to remedy discrimination complaints made against HHA and will investigate all allegations of discrimination.

HHA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

3.3.2 Complaints under the Equal Access Final Rule

Notice PIH 2014-20 requires an articulated complaint process for allegations of discrimination under the Equal Access Final rule. The Equal Access Final Rule requires that HHA provide equal access regardless of marital status, gender identity, or sexual orientation.

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify HHA either orally or in writing. HHA will provide a written notice to those alleged to have violated the rule. HHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

HHA will attempt to remedy discrimination complaints made against HHA and will investigate all allegations of discrimination. At the conclusion of HHA's investigation, HHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

HHA will keep a record of all Equal Access Final Rule-related complaints, investigations, notices, and corrective actions.

3.3.1 VAWA Complaint Processing

A complainant may, not later than one year after an alleged VAWA violation has occurred or terminated, file a complaint with FHEO alleging such violation. If there is a violation that began prior to a year before the complaint is filed, but it continues into the one-year time period, HUD will accept the complaint. FHEO will investigate the complaint if it is timely and FHEO otherwise has jurisdiction. If a complaint is filed more than one year after the alleged violation occurred or terminated, FHEO may, but is not required to, investigate the allegations under the additional authority and procedures described in FHEO 2023-01.

Complaints do not need to allege a violation of the Fair Housing Act for FHEO to accept and investigate the complaint.

Applicants or tenant families who wish to file a VAWA complaint against HHA may notify HHA either orally or in writing. HHA will advise the family of their right to file a VAWA complaint with HUD's FHEO. HHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

HHA will attempt to remedy complaints made against HHA and will conduct an investigation into all allegations of discrimination.

HHA will keep a record of all related complaints, investigations, notices, and corrective actions.

3.4 POLICIES RELATED TO PERSONS WITH DISABILITIES

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make Reasonable Accommodation in rules, policies, practices, or services when such accommodation may be necessary to provide a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

HHA must ensure that persons with disabilities have full access to HHA's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the HCV program.

HHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by HHA.

HHA's policies and procedures regarding Reasonable Accommodations are included in: **APPENDIX A: REASONABLE ACCOMMODATION POLICY AND PROCEDURES**.

3.4.1 Definition of Disability

There are two different definitions for *person with a disability* used in the HCV program. One definition is used to qualify a family for a *disabled deduction*—either as a disabled household or as a dependent for an adult (other than the head-of-household, spouse, or co-head) with a disability—and the other is used in determining eligibility for a *reasonable accommodation.*

Disabled Deduction: Definition of a Person with a Disability

The term *person with disabilities* means a person who has any of the following types of conditions.

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

   Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

   In the case of an individual who has attained the age of 55 and is blind (within the meaning of blindness as defined by 42 U.S.C 416(i)(1)), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

2. Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.
3. Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C.15002(8)), which defines developmental disability in functional terms as follows:
   a) ***General.*** The term *developmental disability* means a severe, chronic disability of an individual that:
      i. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
      ii. Is manifested before the individual attains age 22;
      iii. Is likely to continue indefinitely;
      iv. Results in substantial functional limitations in 3 or more of the following areas of major life activity:
         (1) Self-care,
         (2) Receptive and expressive language,

(3) Learning,

(4) Mobility,

(5) Self-direction,

(6) Capacity for independent living,

(7) Economic self-sufficiency; and

v. Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

b) ***Infants and Young Children*.** An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the following criteria if the individual, without services and supports, has a high probability of meeting those criteria later in life: self-care, receptive and expressive language, learning, mobility, self-direction.

This definition is also used for the dependent deduction, when an adult family member (who is not the head, co-head or spouse) is a person with disabilities. People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition. For purposes of qualifying for low-income housing, this definition does not include a person whose disability is based solely on any drug or alcohol dependence.

Reasonable Accommodation: Definition of a Person with a Disability

The definition of a *person with a disability* used to qualify a family for a *reasonable accommodation* is as follows:

1. A *person with a disability*, as defined under federal civil rights laws, is any person who:
    a) Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or

    b) Has a record of such impairment, or

    c) Is regarded as having such impairment.

2. The phrase *physical or mental impairment* includes:
    a) Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

    b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term *physical or mental impairment* includes but is not limited to: such diseases and

conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus (HIV) infection, mental retardation, emotional illness, drug addiction (other than addiction cause by current, illegal use of a controlled substance) and alcoholism.

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

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

Is regarded as having an impairment means: has a physical or mental impairment that does not substantially limit one or more major life activities but is treated by another person as constituting such a limitation; has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward such impairment; or has none of the impairments defined in this section but is treated by another person as having such an impairment.

The definition of a person with disabilities does not include:

- Current, illegal use of or addiction to a controlled substance.
- Individuals who are alcoholics or drug abusers and:
    - Whose current use of alcohol or drugs prevents them from participating in the program or activity in question; or
    - Whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

3.5 IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

Language for Limited English Proficiency (LEP) persons can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published January 22, 2007 in the Federal Register.

HHA will ensure that affirmative steps are taken to communicate with people who need services or information in a language other than English.

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Administrative Plan, LEP persons are HCV applicants and clients, and parents and household members of applicants and clients. In order to determine the level of access needed by LEP persons, HHA will balance the following four factors:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the HCV program;
2. The frequency with which LEP persons come into contact with the program;
3. The nature and importance of the program, activity, or service provided by the program to people's lives; and
4. The resources available to HHA and costs.

Balancing these factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on HHA.

Further detail is available in **APPENDIX B: LANGUAGE ASSISTANCE PLAN AND LIMITED ENGLISH PROFICIENCY (LEP) POLICY**

3.6 VIOLENCE AGAINST WOMEN ACT PROTECTIONS

The Violence against Women Act (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking who are applying for or receiving assistance under the HCV or Public Housing programs. VAWA protections are not limited to women, but cover victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking regardless of sex, gender identity, or sexual orientation. Victims cannot be discriminated against on the basis on any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age.

Note: Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Further detail is available in **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**.

CHAPTER 4: APPLICATIONS, WAITING LIST AND TENANT SELECTION

4.1 OVERVIEW

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides HHA with the information needed to determine the family's eligibility. When HCV assistance becomes available, HHA will select families from the waiting list in accordance with HUD requirements and HHA policies. HHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that HHA affirmatively further fair housing goals in the administration of the program. Adherence to the selection policies described in this chapter ensures that HHA will be in compliance with all relevant fair housing requirements.

To give all families an equal opportunity to apply for and receive housing assistance, HHA places families that apply for assistance on a waiting list based first on any eligible preference, then by date and time of application. When HCV assistance becomes available, HHA selects families from the waiting list in accordance with HUD requirements and HHA policies.

Except for certain special admissions, targeted funding, project-based voucher (PBV) assistance, and certain preference categories, HHA will only accept pre-applications when the waiting list is open. Families will be placed on HHA's waiting list using local preferences and date and time of application.

4.2 APPLYING FOR ASSISTANCE

When the waiting list is open, families may submit applications using HHA's online portal. HHA may also provide paper applications upon request to accommodate households who may need additional assistance navigating the application process. Only one application will be accepted for each head of household.

Completed applications must be submitted to HHA as instructed in the waiting list opening announcement and/or the instructions provided with the application. Applications must be complete in order to be accepted by the HHA for processing. If an application is incomplete, where contact information is provided, HHA will notify the family of the additional information required in order to be accepted for processing. The application will not be assigned a date and time of receipt until it is returned complete.

At the time of application, HHA will require families to complete a pre-application, which will contain the information that is needed to make an initial assessment of the family's eligibility and to determine the family's placement on the waiting list. Once the family is selected from the waiting list, the family will be required to provide all the additional information necessary to establish family eligibility and level of assistance.

4.2.1 Accessibility of the Application Process

HHA will take steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard HHA application process. This may include people with disabilities, certain elderly individuals, as well as persons with Limited English Proficiency (LEP). HHA will make reasonable accommodations to meet the needs of individuals with disabilities. Please see **APPENDIX A: REASONABLE ACCOMMODATION POLICY AND PROCEDURES** and **APPENDIX B: LANGUAGE ASSISTANCE PLAN AND LIMITED ENGLISH PROFICIENCY (LEP) POLICY** for more information on these policies.

4.3 PLACEMENT ON THE WAITING LIST

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

When the waiting list is continuously open, applicants will be placed on the waiting list according to the claimed preference and date and time their completed pre-application is received by HHA. When the waiting list is open for a finite period of time, HHA will notify applicants of the method for submitting applications and ordering applications on the waiting list.

Placement on the waiting list does not indicate that the family is eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list, in accordance with the requirements in the **ELIGIBILITY** chapter of this Plan. Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by HHA.

4.4 ORGANIZATION OF THE WAITING LIST

The HCV waiting list will be organized in such a manner to allow HHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan. HHA will maintain a single waiting list for the HCV tenant-based vouchers and will utilize site-based waiting lists for the Project-Based Voucher (PBV) program. For policies specific to the PBV program, please see **PROJECT-BASED VOUCHER (PBV) ASSISTANCE**.

The waiting list will contain the following information for each applicant listed:

- Applicant name
- Family unit size
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household

4.5 OPENING THE WAITING LIST

HHA will announce the opening or reopening of any waiting list(s) at least fifteen (15) calendar days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

HHA will give public notice by publishing the relevant information in newspapers of general circulation, minority media and other suitable media outlets, as well as distributing the information

via HHA's social media platforms. The notices will specify where, when and how applications are to be received.

4.6 CLOSING OF THE WAITING LIST

HHA will close the waiting list when it is anticipated that there are sufficient waiting list applicants that can be served within a period determined by HHA. Where the HHA has particular preferences or funding criteria that require a specific category of family, HHA may continue to accept applications from these applicants while closing the waiting list to others.

4.7 FAMILY OUTREACH

HHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the HHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved. HHA will ensure that outreach activities are affirmatively furthering fair housing and are in compliance with the Fair Housing Act.

4.8 REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on a waiting list, the family must update its application online or in writing. To update the application through HHA, a written request for update must be submitted by the family to HHA. Families are required to update their application to reflect changes in family composition, preference status, and/or contact information, including mailing address, phone number, and email address. Failure to report these changes may affect a family's placement on the waiting list(s) and could result in removal of the family's name from the waiting list. Changes will not be accepted verbally or over the phone.

4.8.1 Family Break-Up or Split Households While on the Waiting List

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

In the absence of a judicial decision, or an agreement among the original family members, HHA has the discretion to determine which members of the family will retain the original application date.

In making its determination, HHA will take into consideration the following factors:

1. The interest of any minor children, including custody arrangements;
2. The interest of any ill, elderly, or disabled family members;
3. The interest of any family member who is the victim of domestic violence, dating violence, sexual assault, stalking or human trafficking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse;
4. Any possible risks to family members as a result of criminal activity; and
5. The recommendations of social service professionals.

4.9 UPDATING THE WAITING LIST

In order to have an adequate number of families on the waiting list(s), it is necessary to have current and updated waiting list(s). HHA will review the waiting list(s) on a regular basis to determine if an update and purge are necessary. If an update is needed, HHA will notify the families, at the time of the update, of the method and time frames to be used to update the waiting list. The family's response must be submitted in the time frame and format required by HHA.

Eligible applicants who respond timely and completely will be maintained on the waiting list(s). Applicants who do not respond timely and completely to any update request will be withdrawn (or purged) from the waiting list(s) without further notice. This includes applicants who fail to respond to a physical mailing and/or electronic outreach mailing.

1. If a notice is returned by the post office, with no forwarding address, the applicant will be withdrawn from the waiting list without further notice.
2. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. If the family does not respond within the required time frame, the family will be withdrawn from the waiting list without further notice.
3. If an electronic correspondence is returned as undeliverable: the applicant will be withdrawn from the waiting list without further notice.

In each of the above circumstances the applicant will be removed only from the waiting list that is being updated. The applicant may remain on any other HHA HCV or public housing waiting lists that they are an applicant on.

4.9.1 Requests for Reinstatement

When an applicant fails to respond to an update request or mailing, and HHA has withdrawn the applicant from the waiting list, the following policies apply to requests for reinstatement:

1. If the applicant was withdrawn from the waiting list and contacts HHA in writing to request reinstatement within 12 months of the withdrawal date then HHA will reinstate the application to their original position on the waiting list.
2. If the applicant was withdrawn from the waiting list and contacts HHA in writing to request reinstatement, but it has been greater than 12 months since the withdrawal date, then HHA will review the request and make determinations on a case-by-case basis. This decision is final and not subject to appeal.
3. If withdrawal from the waiting list is due to an error by HHA, then the applicant will have their application(s) reinstated to their original position on the waiting list.

4.10 REMOVAL FROM THE WAITING LIST

HHA will remove a family from the waiting list under the following circumstances:

1. The applicant requests removal of their name from the waiting list;
2. HHA determines the family is not eligible for assistance;
3. The applicant fails to respond to a written request to supply information to HHA within an applicable time parameter;

4. The applicant fails to attend a scheduled appointment at HHA (HHA may grant a second appointment upon request);
5. The applicant fails to attend two scheduled briefing sessions; or
6. The applicant receives a Housing Choice Voucher.

HHA will not remove an applicant from any other HHA waiting lists when housed under the HCV program. The applicant may remain on other HHA waiting lists that they may be an applicant on, such as PBV site-based waiting lists, public housing waiting lists, etc.

If a family is removed from the waiting list because the HHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the HHA's decision.

See policies on **Informal Reviews – Applicants** for applicants who are removed from the waiting list.

4.11 HCV Funding Sources

4.11.1 Special Admissions

HUD may award funding for specifically named families living in specified types of units (e.g., a family that is displaced by demolition of public housing). In these cases, HHA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. HHA will maintain records showing that such families were admitted with special program funding.

4.11.2 Targeted Funding

HUD may award HHA funding for a specified category of families on the waiting list or for families referred by a designated agency. HHA must use this funding only to assist families within the specified category. HHA administers the following types of targeted funding programs:

- Mainstream Voucher Program
- Non-Elderly Disabled (NED) vouchers
- Family Unification Program (FUP)
- Foster Youth to Independence (FYI)
- Veterans Affairs Supportive Housing (HUD-VASH)
- Emergency Housing Vouchers (EHV) – program will sunset no later than the end of CY 2026.

4.11.3 Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in **Selection Method**.

4.12 SELECTION METHOD

Families will be selected from the waiting list based on the targeted funding or local preference(s) for which they qualify, and in accordance with HHA's hierarchy of preferences. HHA may limit the number of applicants who may qualify for any local preference. HHA will select families from the waiting list as follows:

1. **Local Preference Applicants** (see **Local Preferences** for more information)

   Applicants who qualify for any HHA Local Preference will be selected based first on their preference point total, then date and time of application.

   If it is determined at the time of program eligibility determination that an applicant does not qualify for a preference selected, the preference points for any non-qualified preference will be deducted and the applicant will be returned to the waiting list. The waiting list will then be reordered to move the applicant to their qualifying position based on any remaining preferences, then on date and time of application.

2. **Non-Local Preference Applicants**

   Families that do not qualify for any preference will be selected from the waiting list after all qualified preference families have been served. Non-preference applicants will be selected based only on their date and time of application.

Families that qualify for a specified category of program funding (**Targeted Funding** or **Special Admissions**) may be selected from the waiting list out of order and/or ahead of higher placed families that do not qualify for the targeted or demonstration funding. However, within any targeted or demonstration funding category, applicants will be selected in numerical order based on the date and time the applicants were placed on the waiting list.

If there are no applicants eligible for a specific program or initiative on the waiting list, applicants may be generated by referral from specialized community organizations or other government agencies associated with that program or initiative. Referred applicants who meet program requirements are added to the waiting list and served in accordance with the program.

4.13 LOCAL PREFERENCES

HHA can establish local preferences and prioritize serving families that meet those criteria. Local preferences are established based on local housing needs and priorities.

HHA may define a specific number of HCVs that will be allocated to each local preference. The number of housing opportunities and eligibility and admissions criteria may vary from preference to preference.

There are four different *categories* of preferences listed under three different preference *priorities*:

1. Priority #1
   a. Weighted Preferences
   b. Limited Preferences
2. Priority #2 – Other Limited Preferences

3. Priority #3 – Referral Preferences

4.13.1 Weighted Preferences

To ensure access to vouchers for target populations, and to ensure the target population moves to the top of the waiting list, preference categories are assigned a relative weight (i.e., points). Each applicant's place on the waiting list is then determined by the total weight of the preferences they meet.

Except for vouchers in preference categories that receive targeted funding from HUD *specifically* for those vouchers, preferences in this weighted category are superior in ranking to preferences that follow. Weighted preference families are priority #1 and are served immediately when vouchers are available.

Priority #1 Preferences

The following preference categories will be served before all other preference categories, as vouchers are available:

1. **Demolition, Capital Improvement, Modernization, Rehabilitation or Relocation**

   Families are eligible for a weighted preference if they are being relocated from the properties in which HHA is participating that are being demolished, undergoing substantial capital improvements, modernization, or rehabilitation, or who are being relocated pursuant to agreements already in place between HHA and the tax credit property ownership entity.

2. **Project-Based HAP Contract Opt-Out, Non-Renewal or Abatement**

   HHA Public Housing families are eligible for a weighted preference if they have lost assisted housing or are about to lose assisted housing because a private owner receiving project-based Section 8 assistance opts out of, chooses not to renew the HAP contract or fails quality inspections, requiring that the HAP contract be cancelled.

3. **Other Opt-Out, Non-Renewal, Reduction or Relocation**

   HHA Public Housing families are eligible for a weighted preference if they are receiving assistance in a Section 8 SRO or Mod Rehab program and the owner of the program intends to opt out, not renew, or reduce the program size

4. **Public Housing Families Approved for Certain Transfers**

   HHA Public Housing families approved for Category 1 Management Initiatives transfers pursuant to HHA's Public Housing Admissions and Occupancy Policy (ACOP) may be provided with a preference for a voucher when other appropriate housing options are not available within the public housing inventory.

   In addition, eligible public housing families who are under-housed and have been approved for a Category 2 transfer pursuant to the ACOP, and that have not been or will not be transferred to an appropriately sized unit within a reasonable time, may be provided with a voucher. Generally, a reasonable time to wait for a transfer would be less than one year. Priority will be given to under housed families in the largest units (5 Bedrooms) first and then to Four bedrooms and continuing to progressively smaller units.

5. **Project-Based Voucher (PBV) to Housing Choice Voucher (HCV)**

   HHA project-based voucher program (PBV) participants in good standing who have leased a unit for at least one (1) year under HHA's PBV program, are eligible to voluntarily surrender their project-based subsidy and request tenant-based assistance in the form of a tenant-based voucher (when available) to move with continued assistance.

6. **Housing Assistance Payment (HAP) Contract Termination by HHA**

   Program participants leased in a subsidized unit under a HAP contract that required termination by HHA due to insufficient grant funding are eligible to receive a tenant-based voucher (when available) and move with continued assistance.

7. **Involuntarily Displaced by Government Action**

   An applicant qualifies for this preference on the basis of involuntary permanent displacement if the applicant has been or will be involuntarily permanently displaced within no more than six months from the date of preference status certification or verification. An applicant is or will be involuntarily and permanently displaced if the applicant has vacated or will have to vacate a unit owned by HHA or another unit where the applicant lives because of activities carried on by HHA in connection with public improvements or development program.

8. **Transitional Housing Program**

   HHA has a preference for applicants needing to be re-housed because their current assisted housing program is ending. In order to qualify for this preference, all of the following requirements must be met:

   a) The applicant must be a participant in good standing with a grant-funded, targeted-population, subsidized housing program (such as HOME, TBRA, Rapid Re-Housing, or HHA-administered COVID-19 program) or other temporary or transitional housing program;

   b) The applicant's participation in the program is ending due to reaching the end of their program eligibility and/or due to the grant funding for the program being discontinued; and

   c) The applicant must be referred to HHA directly in writing by an organization or government entity with which HHA has an Inter-governmental Agreement (IGA), Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), or other similar agreement.

   Referrals will be accepted continuously, even when the waiting list is closed to other applicants.

9. **Emergency Housing Vouchers (EHV)**

   HHA will provide a waiting list preference for the HCV program for families who are currently assisted through HHA's EHV program and who are at risk of termination due to the lack of continued program funding. HHA will also provide a preference for any EHV family that experiences a loss or gap in assistance as a result of the lack of continued

program funding. This does not apply to EHV families who were terminated from the program for other reasons or were terminated from the program prior to the end of program funding.

The effective date of this preference will be determined by HHA and based on HHA's analysis of available funding and availability of HCVs.

Upon approval from HUD, HHA will be permitted to place all EHV families on its HCV waiting list with the appropriate preference without collecting individual applications from each EHV family.

In the event that HHA is not able to serve all EHVs with a HCV immediately upon termination from the EHV program due to lack of continued program funding, HHA will prioritize families within this preference group according to the following criteria:

1. First, EHV families in which the head of household, co-head, or spouse is elderly or a person with disabilities.
2. Second, EHV families with minor children.
3. Third, all other EHV households, ordered by the original EHV lease-up/program admission date.

Within each of the priority groups above, families within each group will be ordered by original EHV lease-up/program admission date, with the earliest dates first.

If any EHV families transitioning to the HCV program qualify for the Mainstream program and HHA has Mainstream vouchers available, HHA may opt to prioritize transitioning those families to the Mainstream program rather than its regular HCV program.

EHV families who transition to the HCV or Mainstream programs will not be re-screened for program eligibility and are not subject to income targeting requirements. However, HHA shall verify documentation of SSN and eligible citizen/noncitizen status (if applicable) of each household member who contends eligible immigration or citizenship status before transferring the family to the HCV or Mainstream program.

10. **Other Special Admissions**

The President and CEO or their designee may provide a preference for up to five (5) households per year for special or other emergency circumstances, as defined by HHA. These families may be placed on HHA's waiting list even if the waiting list is otherwise closed or may already be on HHA's waiting list. Families receiving this preference must meet all requirements as outlined in the chapter on **ELIGIBILITY** prior to being issued a voucher and/or placed in a PBV unit, as applicable. Applicants approved for this preference and determined eligible will be offered the first available resources in the form of either a Tenant-Based Voucher or PBV-assisted unit. Any family provided this preference that is determined not to be eligible for the HCV program will not be provided a voucher and will count against the limit of five (5) families given this preference for that year.

4.13.2 Limited Preferences

This preference sets a limit or *cap* on the number of applicants that may qualify for a particular preference. The preference is limited to the amount of targeted funding available and a finite number of vouchers available to be served under the preference.

Preferences with HUD Targeted Funding

1. **Near Elderly – Disabled (NED)**

   NED vouchers enable non-elderly disabled families to lease affordable private housing of their choice. NED vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

2. **Veteran Affairs Supportive Housing (VASH)**

   The HUD VASH program combines HUD Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA) at its medical centers and in the community.

3. **Mainstream Voucher Program**

   Mainstream Vouchers are designed to help non-elderly people with disabilities who are transitioning from institutional living, to living independently in the community. Mainstream vouchers can also serve HCV program households that include a non-elderly person(s) with disabilities or who are on the general HCV waiting list.

4. **Family Unification Program**

   The Family Unification Program (FUP) is a program under which housing assistance is provided in partnership with Public Child Welfare Agencies (PCWAs) to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care.

5. **Foster Youth to Independence Program**

   The Foster Youth to Independence (FYI) initiative makes Housing Choice Voucher (HCV) assistance available to Public Housing Agencies (PHAs) in partnership with Public Child Welfare Agencies (PCWAs) to youth at least 18 years and not more than 24 years of age (have not reached their 25th birthday), who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the *Social Security Act*, and are homeless or are at risk of becoming homeless at age 16 or older.

   As required by statute, an FYI voucher issued to such youth may only be used to provide housing assistance for the youth for a maximum of 36 months unless the youth meets the requirements to receive an extension of assistance under the Fostering Stable Housing Opportunities (FSHO) amendments. FSHO provides an FYI youth an extension of the 36-month time limit for up to an additional 24 months if they meet certain requirements. In addition to providing up to 36 months of rental assistance, the PCWA must provide or secure the youth supportive services to assist the young person on their path to self-sufficiency.

4.13.3 Other Limited Preferences

This preference sets a limit or cap on the number of applicants that may qualify for a particular preference. The preference may be limited to the preference expiring, or HHA may state that the preference remains for a specific number of families at a time. Other Limited Preference families are served when vouchers are available after Weighted Preference and Limited Preference families are served:

1. **FUP/FYI Youth Preference for Admission**

   HHA will give preference to households participating in the FUP and/or FYI programs who have reached the end of the 36-month term of the program (or 60 months, if eligible and approved for an extension) if they will lack adequate housing due to expiration of the FUP or FYI voucher. Receipt of a voucher under this preference is subject to funding availability.

2. **Homeownership Preference for Admission**

   HHA will give preference for up to 20 applicants each year who are HHA-assisted public housing residents, have successfully completed their Contract of Participation (COP) under HHA's Family Self-Sufficiency (FSS) program, and wish to participate in the Housing Choice Voucher Homeownership Program. Applicants to the program must be in good standing and meet all requirements of the homeownership program. Receipt of a voucher under this preference is subject to funding availability.

3. **Reentry Resource Program Preference for Admission**

   HHA will give preference for up to 10 vouchers per year for applicants who have been referred to HHA by a partnering agency that assists households who are transitioning out of correctional institutional settings with reentry and integration services. Applicants must be referred to HHA by a provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities with respect to the provision of housing search assistance and supportive services for the referred household. Receipt of a voucher under this preference is subject to funding availability.

4.13.4 Direct Referral Preferences

HHA may also establish preferences specifically for people who are referred by a service organization or consortia of organizations. This option can help the HHA to reach qualified applicants who have access to community services through the referral partners.

HHA may not limit the source of referrals for the HCV tenant-based waiting list to an agency, organization, or consortia that denies its services to members of any federally protected class under fair housing laws, i.e., race, color, religion, national origin, sex, disability, or familial status.

1. **Homeless Preference**

   HHA will provide a preference on its waiting list for a limited number of applicants who are referred to HHA by a partnering homeless service provider, as described further below. Applicants must provide appropriate documentation to verify their homeless status, as requested by HHA.

   a) **One-time allocation:** Pursuant to Board Resolution #2729 issued and adopted May 7, 2014, HHA established a one-time allocation of 450 vouchers to be made

available for applicants qualifying under the homeless preference, as described below.

i. HHA will continue to lease vouchers from the homeless preference applicant pool until 450 vouchers have been leased to eligible applicants.

ii. The authority for this one-time allocation will expire once 450 total vouchers have been leased to qualifying applicants under this preference.

b) **Eligibility for Preference:** to qualify for the homeless preference applicant households must meet all of the following criteria:

i. Meet the federal definition of homeless;

ii. Have been referred by HHA to a homeless service provider or referred to HHA by a homeless service provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities with respect to confirming the referred household meets the federal definition of homeless and their provision of housing search assistance and supportive services for the referred household;

iii. Have received a written commitment from the homeless service provider for housing search assistance;

iv. Have received a written commitment from the homeless service provider for supportive services to help the household's transition from homelessness to permanent housing; and

v. Have received a written commitment from the homeless service provider for supportive services to help the household comply with Housing Choice Voucher program rules.

c) **Annual Allocation:**

Once authority for the one-time allocation of 450 vouchers expires, on an annual basis HHA will make available up to 250 vouchers for applicant households who qualify for the homeless preference, as described below.

i. This preference shall be limited to applicants referred to HHA by the identified homeless service provider and have been certified as meeting the criteria for this preference by the homeless service providers noted above. While a referral from the homeless service provider is allowed for this preference, use of the offered supportive services is not a requirement. The choice of the applicant to refuse the offered services will not jeopardize any housing assistance for which they are eligible.

ii. HHA will execute a MOU with one entity representing a coalition of homeless service providers that will serve as the primary point of contact for communicating homeless referrals to HHA. HHA reserves the right to establish additional MOUs as necessary to ensure that homeless applicants have the opportunity to apply for housing assistance under this preference. Persons transitioning out of Shelter Plus Care/Supportive Housing

Programs/Supported Housing Programs/Rapid Re-Housing/HOME TBRA other federal or local programs into permanent housing will be included as a priority group as part of this preference. These are applicants that were previously homeless prior to entry into a PSH program but who no longer require that level of supportive services.

iii. To establish the annual number of vouchers allocated to this preference, HHA will review the projected number of tenant-based vouchers to be issued during the upcoming calendar year. If the maximum 250 vouchers is projected to exceed 25 percent of HHA's projected voucher issuances during the upcoming calendar year then HHA will adjust the annual amount such that it does not exceed 25 percent of tenant-based voucher issuances. For example, if HHA projects to issue 500 vouchers during the calendar year, then HHA will adjust the maximum 250 vouchers to no more than 125 vouchers annually.

iv. The number of vouchers dedicated to this preference will reset each calendar year (i.e., unused vouchers from prior years will not roll over to the next calendar year). HHA reserves the right to adjust this number as needed to reflect local needs and priorities and/or as needed to achieve voucher and funding utilization targets.

d) If it is determined that an applicant referred by a homeless service provider, as described above, does not meet the criteria described herein, the applicant will not receive the preference and:

i. If the applicant was only on the HCV waiting list because of the homeless referral, the applicant will be removed from the HCV waiting list.

ii. If the applicant was on the HCV waiting list through the regular application process, the applicant will return to their position on the waiting list without the homeless preference.

e) If the HHA cannot verify an applicant's preference claim, HHA will notify the applicant and referring service provider in writing, including the reason(s) for the rejection of the preference.

2. **Special Cooperation with States Attorneys and/or Law Enforcement Agencies to Relocate Households**

Families that are an active participant in a witness relocation and protection program or state victim assistance program: HHA may from time to time cooperate with the State Attorneys and/or law enforcement agencies to relocate households within the HHA service area and otherwise eligible for rental assistance, for protection of potential witnesses. Such action will be taken at administrative discretion and only if vouchers are available. An example of such action may—but not necessarily—be limited to a household whose member(s) has extended themselves in the public interest which placed them in personal jeopardy.

4.14 INCOME TARGETING

HHA will ensure that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during HHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher.

HHA will monitor progress in meeting the income targeting requirements throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

4.15 ORDER OF SELECTION

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the HHA's hierarchy of preferences, if applicable.

Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by HHA.

Applicant families who do not qualify for any of the approved HHA preference categories will be placed on the waiting list as a non-preference applicant and will be ordered based on the date and time of application.

4.16 NOTIFICATION OF SELECTION

HHA will notify the family by mail when it is selected from the waiting list. If a notification letter is returned to HHA with no forwarding address, the family will be removed from the waiting list without further notice. HHA may notify the applicant by phone in order to expedite the briefing process.

If an applicant fails to respond, in the manner and time frame requested by HHA, the applicant may be withdrawn from the waiting list(s). When a family is withdrawn from the waiting list for failure to respond, no informal review will be offered. Such failures to act on the part of the applicant prevent HHA from making an eligibility determination; therefore, no informal review is required.

CHAPTER 5: ELIGIBILITY

5.1 OVERVIEW

Every individual and family admitted to the HCV program must meet all program eligibility requirements. This includes any individual approved to join a family after the family has been admitted to the program. Families must provide any information needed by HHA to confirm eligibility and determine the level of the family's assistance.

5.2 QUALIFYING FOR ADMISSION

HHA will consider the following when determining eligibility for the HCV program:

The applicant family must:

1. Qualify as a family as defined by HUD and HHA;
2. Have income at or below specified **Income Limits for Eligibility**;
3. Qualify on the basis of citizenship or the eligible immigrant status of family members;
4. Disclose and provide documentation of Social Security number information for all household members as required;
5. Consent to HHA's collection and use of family information as provided for in HHA-provided consent forms;
6. Not currently be receiving a duplicative subsidy;
7. Qualify for assistance according to all other eligibility criteria described in this Plan;

And, upon implementation of HOTMA:

Note: the following two bullets are only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following restrictions do not apply.

8. Not own real property that is suitable for occupancy by the family as a residence, as described in **Asset Restrictions**;
9. Not have assets in excess of the HUD-established asset limit, as described in **Asset Restrictions**;

HHA will determine that the current or past behavior of household members does not include activities that are prohibited by HHA.

An applicant's misrepresentation of information, including but not limited to those related to eligibility, preference for admission, assets, allowances, household composition, or criminal history will result in rejection.

If a family is deemed ineligible or unsuitable for admission, the family will be removed from the waiting list.

5.3 DEFINITIONS

5.3.1 Family

Applicants must qualify as a *Family* as defined in 24 CFR part 5.403. *Family* includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A single person, who may be:
    a) An elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
    b) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act and is homeless at age 16 or older; or
2. A group of persons residing together, and such group includes, but is not limited to:
    a) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
    b) An elderly family;
    c) A near-elderly family;
    d) A disabled family;
    e) A displaced family; and
    f) The remaining member of a tenant family.
3. A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the household at the time of application, and must update this information if the family's composition changes.

5.3.2 Household

Household is a broader term that includes additional people who, with HHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

5.3.3 Head of Household

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head.

The family may designate any qualified family member as the head of household. The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

5.3.4 Spouse, Co-Head and Other Adult

A family may have a spouse or co-head, but not both.

Spouse means the marriage partner of the head of household. A marriage partner includes the partner in a *common law* marriage as defined in state law. The term *spouse* does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co-head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head. Minors who are emancipated under state law may be designated as a co-head.

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

5.3.5 Interdependent Relationship or Domestic Partnership

To claim an interdependent relationship or domestic partnership, individuals must demonstrate and certify that each individual's income and other resources will be available to meet the needs of the family and that the family otherwise comprises a housekeeping unit, meaning the individuals share expenses, household chores, household shopping responsibilities, and other common household activities. An interdependent relationship/domestic partnership may exist regardless of actual or perceived sexual orientation, gender identity, or marital status.

An interdependent relationship or domestic partnership is defined as a committed relationship between two adults, in which the partners:

1. Maintain a common residence, and intend to continue to do so (or would maintain a common residence but for an assignment abroad or other employment-related, financial, or similar obstacle);
2. Are at least 18 years of age and mentally competent to consent to contract;
3. Share responsibility for a significant measure of each other's financial obligations;
4. Are not the domestic partner of anyone else; and
5. Are willing to certify, if required by the agency, that they understand that willful falsification of any documentation required to establish that an individual is in a domestic partnership may lead to disciplinary action and the recovery of the cost of benefits received related to such falsification.

5.3.6 Dependent

A *dependent* is a family member who is:

- Either under 18 years of age; or
- A person of any age who is a person with a disability; or

- A full-time student.

The following persons can never be dependents:

- The head of household;
- Spouse;
- Co-head;
- Foster children;
- Foster adults; and
- Live-in aides.

Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the family if the dependent lives with the applicant or client family 50 percent (at least 183 days/year) or more of the time. When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the admission or reexamination will be able to claim the dependents.

When more than one applicant or tenant (regardless of program) is claiming the same dependents as family members, the family with primary physical custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family will be allowed to claim the dependents, HHA will make the determination based on available documents such as court orders and IRS income tax returns showing which family has claimed the child for income tax purposes, school records, and/or other credible documentation.

HHA may make an exception to the **Subsidy Standards** set forth in this plan and allow two assisted households space for the same dependent children where there is joint physical and legal custody; however, HHA will only allow one household to claim the dependent deduction. Exceptions to the subsidy standards policies for these instances will be reviewed on a case-by-case basis.

5.3.7 Full-Time Student

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended).

5.3.8 Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

5.3.9 Near-Elderly Persons

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62.

5.3.10 Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because these families may qualify for special deductions from income.

5.3.11 Persons with Disability and Disabled Family

Persons with Disabilities: There are two different definitions for disabled persons used in the HCV program. One definition is used to qualify a family for the disabled household deduction (see **Disabled Deduction: Definition of a Person with a Disability**) and the other is used in determining eligibility for a reasonable accommodation (see **Reasonable Accommodation: Definition of a Person with a Disability**).

Disabled Family: A disabled family is one in which the head, spouse, or co-head is a person with disabilities.

5.3.12 Guests

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent. A guest may remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative days during any 12-month period if permission is given in writing by the landlord.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure that is expected to last longer than 14 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

5.3.13 Multiple Families in the Same Household

When a family that consists of two families living together applies, 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.

5.3.14 Foster Children and Foster Adults

A *foster child* is a member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older and is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of NSPIRE space standards according to 24 CFR 982.401.

Foster children and foster adults who are living with an applicant or assisted family are considered household members, but not family members. Foster children/adults do not qualify for a dependent deduction.

5.3.15 Live-In Aide

Live-in aide means a person who resides with one or more elderly persons or persons with disabilities, and who:

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

HHA will approve a live-in aide if needed as a reasonable accommodation, to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family. See verification requirements for **Live-In Aide** in the Verification chapter.

HHA will apply the same screening criteria used for determining initial and continued eligibility/suitability for applicants and tenants when determining approval/disapproval of a particular person as a live-in aide. These criteria include, but are not limited to, disapproval of admission if the person:

1. Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
2. Is subject to a lifetime registration requirement under a State Sex offender registration program;
3. Has committed drug-related criminal activity or violent criminal activity; or
4. Currently owes rent or other amounts to HHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

5.4 INCOME ELIGIBILITY

5.4.1 Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes.

Definitions of the Income Limits [24 CFR 5.603(b)]:

1. **Low-income family.** A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.
2. **Very low-income family.** A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.
3. **Extremely low-income family.** A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

5.4.2 Income Limits for Eligibility

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size.

In order to be income eligible, an applicant family must be one of the following:

1. An *extremely low-income* or *very low-income* family.
2. A *low-income* family that has been *continuously assisted* under the 1937 Housing Act (see **Continuously Assisted** below).
3. A *low-income* family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.
4. A *low-income* or *moderate-income* family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing.

5.4.3 Continuously Assisted

HHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by HHA or if there is a break in assistance under any 1937 Housing Act program for a period of less than 30 days from the date of the screening appointment with HHA. This policy assumes that the break in assistance is not due to adverse termination and that the applicant has left the prior program in good standing.

5.4.4 Income Limits for Targeting

At least 75 percent of the families admitted to the HHA's program during a HHA fiscal year must be extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

5.4.5 Income Eligibility for the VASH Program

HHA will generally follow the HCV policies outlined in this section to determine if a family is eligible to receive assistance through the VASH program, with the following exceptions:

1. A family with income that does not exceed 80% of Area Median Income (AMI), or a “low-income” family, who is otherwise eligible for the VASH program, will be eligible for admission.
2. For the purposes of determining income eligibility, HHA will exclude VA service-connected disability benefits. However, these benefits will be included when calculating the family’s income for the purposes of determining the family share and HAP.

While income-targeting does not apply to VASH vouchers, HHA may include the admission of extremely low-income VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

5.5 ASSET RESTRICTIONS

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following restrictions noted in this section do not apply.

Upon implementation of the HOTMA Final Rule, subsidy assistance must not be provided upon admission or reexamination of family income if:

1. The family's net assets (as defined in 24 CFR 5.603 and the **GLOSSARY OF TERMS AND DEFINITIONS** section of this Plan) exceed $100,000, or the amount as determined by HUD and adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers; or

2. The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell real property that is suitable for occupancy by the family as a residence.

   A property will be considered *suitable for occupancy* unless the family demonstrates that the property:

   a) Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation);

   b) Is not sufficient for the size of the family;

   c) Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by HHA);

   d) Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or

   e) Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

   This real property restriction does not apply to:

   a) Any property for which the family is receiving assistance under 24 CFR 982.620 or under the Homeownership Option in 24 CFR Part 982;

   b) Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;

   c) Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking, or human trafficking as defined in 24 CFR 5, Subpart L; or

   d) Any family that is offering such property for sale.

5.5.1 Denial of Assistance due to Asset Restrictions – New Admission Households

HHA must deny households admission who do not meet the criteria listed above, in accordance with **Denial of Assistance** policies. There are no exceptions for households at admission, other than the exceptions listed above.

5.5.2 Termination of Assistance – Recertifying Households

For recertifying households, HHA may delay termination of assistance for up to six months if the family is over the asset threshold at the time of their regular recertification, and the family will be given the opportunity to come into compliance with the asset threshold during that time. Otherwise, the household must be terminated in accordance with the policies in **TERMINATION OF ASSISTANCE AND TENANCY**.

5.6 CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance. See policies on **Verification of U.S. Citizenship and of Eligible Immigration Status**.

5.6.1 Declaration of Citizenship

Each family member must declare whether they are a citizen, a national, eligible noncitizen, or an individual who elects not to contend that they have eligible immigration status. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors.

Those who elect not to contend their status are considered to be ineligible noncitizens. The family must identify in writing any family members who elect not to contend their immigration status.

No declaration is required for live-in aides, foster children, or foster adults.

5.6.2 U.S. Citizens and Nationals

Citizens and nationals are required to submit only a signed declaration as verification of their status.

Family members who declare citizenship or national status will not be required to provide additional documentation unless HHA receives information indicating that an individual's declaration may not be accurate.

5.6.3 Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must provide documentation to confirm the claimed citizenship status and cooperate with HHA efforts to verify their immigration status.

The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible

immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS.

HHA will use the USCIS SAVE system to verify eligible immigration status.

5.6.4 Ineligible Noncitizens

Ineligible noncitizens (i.e., noncitizens who do not wish to contend their immigration status) are required to have their names listed on a non-contending family member listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. HHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

5.6.5 Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Assistance to mixed families shall be prorated. Families will receive notice of determination as a mixed family. The notice will include the fact that assistance will be prorated and that the family may request a hearing if they contest this determination.

5.6.6 Ineligible Families

HHA will not provide assistance to a family before the verification of at least one family member.

When a HHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with HHA.

The informal hearing with the HHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

5.6.7 Timeframe for Determination of Citizenship Status

For new applicants, HHA will ensure that evidence of eligible citizenship status is submitted no later than the date that HHA completes verification of other aspects of eligibility for assistance.

HHA will grant an extension to submit evidence of eligible immigration status if the family member:

1. Submits the declaration, certifying that any person for whom required evidence has not been submitted is a noncitizen with eligible immigration status; and
2. Certifies that the evidence needed to support a claim of eligible immigration status is temporarily unavailable, additional time is needed to obtain and submit the evidence, and prompt and diligent efforts will be undertaken to obtain the evidence.

If an individual qualifies for a time extension for the submission of required documents, HHA will grant such an extension for no more than 30 days HHA's decision to grant or deny an extension will be issued to the family by written notice.

If the family fails to submit required evidence of eligible immigration status within the time period specified in the notice, or if the evidence is timely submitted but fails to establish eligible immigration status, HHA will proceed to deny assistance.

5.7 SOCIAL SECURITY NUMBERS

The applicant and all members of the applicant's household must disclose the complete and accurate Social Security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN.

If a child under age six has been added to an applicant family within six months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract.

Note: these requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

HHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

5.7.1 Verifying SSNs for the VASH Program

When verifying the SSN for the homeless veteran, HHA will accept self-certification of the SSN and a VA-issued ID, VA-issued document with the veteran's name (such as a benefit letter, Certificate of Release or Discharge from Active Duty (DD 214), or Application for Health Benefits (10-10EZ). HHA will also accept these documents as proof of age.

For members of the VASH household, HHA will accept self-certification of the SSN and at least one (1) of the third-party document such as a bank statement, utility or cell phone bill, or benefit letter that contains the name of the individual.

5.8 PHOTO IDENTIFICATION

To ensure HHA has the ability to identify all persons 18 years of age or older (not just the head of household), all adult household members will be required to provide a current, government-issued identification at admission, upon addition to an HCV household or upon turning 18.

HHA reserves the right to request an updated photo ID after admission to the program to confirm legal identity.

As an accommodation for individuals with disabilities and elderly individuals, as well as for individuals with religious considerations, with prior HHA approval, HHA may accept other forms of identification to establish identity.

5.9 OTHER REQUIRED DOCUMENTS

Applicants must provide birth certificates/proof of age/proof of birth for all household members.

The family must supply any other information that HHA or HUD determines necessary to the administration of the program.

5.10 FAMILY CONSENT TO RELEASE INFORMATION

5.10.1 Authorization for the Release of Information/Privacy Act Notice (Form HUD-9886-A)

Each adult family member and the head of household, spouse, or co-head, regardless of age, is required to sign form HUD-9886-A, Authorization for the Release of Information/Privacy Act Notice or comparable form authorized by HUD. The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and to provide the family's consent only for the specific purposes listed on the form.

On or after January 1, 2024, the form HUD-9886-A is only required to be signed by each family member at admission, addition of an adult member to the household, and/or when a family member turns 18. The form HUD-9886-A is not required to be signed at each regular recertification and will remain effective until the family is denied assistance, the assistance is terminated, or the family provides written notification to HHA to revoke consent.

HHA will deny admission to the program or terminate assistance if any member of the applicant family fails to sign and submit the form HUD-9886-A. Further, revocation of consent to the form HUD-9886-A by any family member will result in denial of admission or termination of assistance.

5.10.2 Other HHA-Required Consent Forms

Additionally, families are required to sign other HHA consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

HHA will deny admission to the program or terminate assistance if any member of the applicant family fails to sign and submit the consent forms which allow HHA to obtain information that HHA has determined necessary in the administration of the HCV program.

5.11 STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with HHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

5.11.1 Determining Student Eligibility

If a student is applying for assistance on their own, apart from their parents, HHA will determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, HHA will:

1. Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program;
2. Determine whether the student is independent from their parents in accordance with the definition of independent student in this section; and
3. Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program.

If HHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, HHA will send a notice of denial in accordance with the policies in **Denial of Assistance**.

5.11.2 Definition When Determining Student Eligibility

In determining whether and how the new eligibility restrictions apply to a student, HHA will rely on the following definitions:

Dependent Child

In the context of the student eligibility restrictions*, dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

The definition of *independent student* includes the following criteria. To be considered an independent student, the individual must meet one or more of the following criteria: (FR 9-21-16):

1. The individual is 24 years of age or older by December 31 of the award year for which aid is sought;
2. The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age of older;
3. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
4. The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;
5. The individual is a graduate or professional student;
6. The individual is a married individual;
7. The individual has one or more legal dependents other than a spouse;
8. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness, and self-supporting, by
    a) A local educational agency homeless liaison,
    b) The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director
    c) A financial aid administrator; or
9. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.
10. The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' more recent tax forms.
11. The individual provided a certificate of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If HHA determines than an individual meets the definition of a vulnerable youth such a determination is all that is necessary to determine that the person is an independent student for purposes of using only the student's income for determining eligibility for assistance.

HHA will verify that the student meets the definition of Independent Student listed above. See **Verifying Student Independence and Parental Income of Students Subject to Eligibility Restrictions**.

Institution of Higher Education

HHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education.* **https://www.gpo.gov/fdsys/pkg/USCODE-2011-title20/pdf/USCODE-2011-title20-chap28-subchapI-partA.pdf**.

Parents

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc.).

Person with Disabilities

HHA will use the statutory definition under of the 1937 Act (definition used to qualify a family for the disabled household deduction) to determine whether a student is a *person with disabilities.* See **Disabled Deduction: Definition of a Person with a Disability**.

Vulnerable Youth

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

1. The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
2. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence
3. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
    a) A local educational agency homeless liaison
    b) The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
    c) A financial aid administrator

5.11.3 Determining Parental Income Eligibility

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* above, HHA will determine the income eligibility of the student's parents as follows:

1. If the student's parents are married and living together, HHA will obtain a joint income declaration and certification of joint income from the parents.
2. If the student's parent is widowed or single, HHA will obtain an income declaration and certification of income from that parent.
3. If the student's parents are divorced or separated, HHA will obtain an income declaration and certification of income from each parent.

4. If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, HHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. HHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, HHA will use the income limits for the jurisdiction in which the parents live.

5.12 APPLICANT SCREENING

HHA conducts applicant screening to evaluate the eligibility of families who apply to the HCV program.

Debt, criminal background and sex offender screening policies include basic screening information, reasons for mandatory and non-mandatory denial and mitigating factors. Mitigating factors will be considered for certain screening outcomes. Upon consideration of mitigating factors, HHA may, on a case-by-case basis, decide not to deny assistance.

If a tenant is terminated and re-applies, the applicant (former tenant) will be subject to all HHA required screening elements to determine eligibility for the program.

The HHA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the initial inspection or before, if requested. HHA will not provide any additional information to the owner, such as tenancy history or criminal history, etc.

5.12.1 Enterprise Income Verification (EIV) Screening

Existing Tenant Search

Prior to admission to the program, HHA will search for all household members using the EIV Existing Tenant Search module. HHA will review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified.

If the tenant is a new admission to HHA, and a match is identified, HHA will contact the PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status. HHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Former Tenant Search/Debts Owed and Terminations

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

Prior to admission to the program, HHA will search for each adult family member in the EIV Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute.

If HHA determines that the disputed information is incorrect, HHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

Income and Income Validation Tool (IVT) Reports

For each new admission, HHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC (and/or as replaced by the Housing Information Portal [HIP] or other subsequent system) submission date of the new admission. HHA will review the reports and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

5.12.2 Criminal Background Screening

It is HHA's policy to conduct screening for drug abuse and other criminal activity in an effort to prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other tenants. In conducting screening, HHA will comply with all applicable civil rights requirements contained in the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act and Titles II and III of the Americans with Disabilities Act of 1990 and other equal opportunity provisions listed in 24 CFR 5.105. Such screening will apply to any member of the household who is 18 years of age or older at the time of lease-up or move-in, including live-in aides.

A signed Criminal Background Check Release Form, authorizing the release of criminal records from law enforcement agencies, must be completed by the household members for whom the record is being requested or in the case of a minor the adult responsible for said minor. Failure to sign the consent form will result in the denial of assistance.

HHA will perform a criminal background check for every person 18 years of age or older:

1. At the time of application.
2. When being added as a live-in aide.
3. When being added as a new household member.
4. At any other time if necessary, during the family's participation on the program to determine ongoing compliance.
5. Whenever HHA has a reasonable belief or report that a participant has engaged in fraudulent or criminal activity.

HHA will ensure that adverse housing decisions based upon criminal activity are supported by sufficient evidence that the individual engaged in such activity. HHA uses convictions, not arrest records, to determine that an individual has engaged in criminal activity. HHA may deny admission based upon the conduct underlying an arrest if the conduct indicates that the individual is not suitable for program participation and HHA has sufficient evidence other than the fact of arrest that the individual engaged in the conduct. The conduct, not the arrest, will be the relevant factor for admissions and tenancy determination. Reliable evidence of a conviction may be the basis for determining that disqualifying conduct occurred.

HHA may use other evidence such as police reports detailing the circumstances of the arrest, witness statements and other relevant documentation to assist in making a determination that disqualifying conduct occurred.

5.12.3 Sex Offender Screening

HHA will perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in Texas, as well as in any other state where a household member is known to have resided.

5.13 DENIAL OF ASSISTANCE

5.13.1 Required Denials

HHA will deny assistance in the following cases:

Denials Related to Ineligibility for Assistance or Failure to Comply with Screening Process

1. Any member of the applicant family fails to sign and submit consent forms or revokes consent forms which allow HHA to obtain information it has determined is necessary in the administration of the HCV program (24 CFR 982.552(b)(3)).
2. Any family member does not disclose and provide verification of their Social Security number (24 CFR 982.551(b)(3)).
3. The family does not contain at least one member who is a U.S. citizen/national or eligible noncitizen (24 CFR 5.506).
4. Upon implementation of HOTMA: The family is ineligible due to failure to comply with **Asset Restrictions**.
5. The family does not meet the required **Income Limits for Eligibility**.
6. Any family member fails to meet the eligibility requirements concerning **Students Enrolled in Institutions of Higher Education** (24 CFR 982.552(b)(5)).
7. Evidence of citizenship and eligible immigration status is not submitted when required (including any extensions) and/or eligible immigration status is not verified by the appropriate federal agency (24 CFR 5.514(c)(1)).
8. HHA determines the family has misrepresented any information related to eligibility, award of preference for admission, allowances, family composition, or rent.
9. The family:
    a. Owes rent or other amounts to HHA or any other PHA or owner in connection with any assisted housing program; and/or
    b. Has breached a tenant payment agreement with HHA or another PHA entered in connection with participation in the HCV or public housing program under the 1937 Act, and the amount is not fully repaid within 14 business days from the date of the screening appointment.

10. Any member of the family has engaged in or threatened violent or abusive behavior toward PHA personnel.

    a. *Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

    b. *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Required Denials Related to Criminal Activity

11. Any member of the household has been evicted from federally assisted housing in the last 3 years from the date of eviction for drug-related criminal activity (24 CFR 982.553(a)(1)(i)).

    a. HUD permits but does not require HHA to admit an otherwise-eligible family if HHA determines that the household member has completed a supervised drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household due to death or imprisonment).

12. HHA determines that any household member is currently engaged in the use of illegal drugs (24 CFR 982.553(a)(1)(ii)).

    a. *Currently engaged* in is defined here as any use of illegal drugs during the previous six months.

13. HHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents (24 CFR 982.553(a)(1)(ii)).

    a. In determining reasonable cause, the HHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A record or records of arrest will not be used as the sole basis of determining reasonable cause. HHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

14. Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing (24 CFR 982.553(a)(1)(ii)).

15. Any household member subject to a lifetime registration requirement under a state sex offender registration program (24 CFR 982.553(a)(2)(i)).

5.13.2 Other Possible Reasons for Denial

If any household member is currently engaged in or has engaged in any of the following criminal activities within the past three years, the family may be denied admission:

1. *Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug (24 CFR 5.100).
2. *Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage (24 CFR 5.100).
3. Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents, or persons residing in the immediate vicinity (24 CFR 982.553(a)(2)(ii)).
4. Criminal activity that may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of HHA (including an HHA employee or an HHA contractor, subcontractor or agent) (24 CFR 982.553(a)(2)(ii)).
5. Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.
6. Any abuse of alcohol or pattern of abuse of alcohol by any household member that may threaten the health, safety or right to peaceful enjoyment of the premises by other residents.
7. Illegal possession or use of a firearm or aggravated assault weapon in violation of federal, state or local criminal or civil laws.
8. Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last three years.

Where denial is not mandatory, prior to making a final determination on denial of assistance, HHA may consider **Mitigating Factors**.

5.13.3 Mitigating Factors

HHA will consider the following mitigating factors:

1. HHA may admit an otherwise-eligible family who has been evicted from federally-assisted housing in the last three (3) years (from the date of eviction) for drug-related criminal activity, if HHA determines that:
    a. The household member who has engaged in the criminal activity has completed a supervised drug rehabilitation program, and/or
    b. The circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household due to death or imprisonment).
2. The seriousness of the case, especially with respect to how it would affect other tenants;
3. The effects that denial of assistance may have on other members of the family who were not involved in the action or failure;

4. The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking;
5. The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;
6. Evidence of the family's or family member's participation in or willingness to participate in social services or other appropriate counseling service programs;
7. In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
8. Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit;
9. For debt-related denials (including denials due to breach of tenant payment agreements), HHA will also consider:
    a. Circumstances which led to the creation of the debt, i.e., death of a household member, economy-related layoff;
    b. Current financial circumstances; and
    c. The length of time since the debt was incurred, the family's recent history and the likelihood of favorable conduct in the future.

5.13.4 Criteria for Deciding to Deny Admission

HHA will use the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the 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. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Additionally, HHA will consider any mitigating factors, including those listed in the **Mitigating Factors** section, as well as any VAWA-related or disability-related considerations. See **APPENDIX A: REASONABLE ACCOMMODATION POLICY AND PROCEDURES** and **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**.

5.14 Notice of Eligibility Determination

5.14.1 Notice of Eligibility

If HHA determines that the family is eligible to receive assistance, HHA will notify the family of the eligibility determination and next steps in the voucher issuance and/or leasing process. See **SUBSIDY STANDARDS, BREIFINGS AND VOUCHER ISSUANCE**.

5.14.2 Denial of Assistance

If HHA determines that the family is ineligible, HHA will notify the family in writing in a timely manner of the determination. The notice will specify:

1. The reasons for ineligibility;
2. The family's right to an **Informal Review**;
3. The process for obtaining the informal review; and
4. Notification of applicant protections against denial, confidentiality requirements and request for documentation as provided by VAWA.

If a criminal record or sex offender registration is the basis of the denial the applicant will be given an opportunity to dispute the accuracy and relevance of the information before HHA can move to deny the application. The family will be given 15 calendar days to dispute the accuracy and relevance of the information. If the family does not contact HHA to dispute the information within that 15-calendar day period, HHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the **Informal Review** process.

CHAPTER 6: SUBSIDY STANDARDS, BRIEFINGS AND VOUCHER ISSUANCE

6.1 SUBSIDY STANDARDS

Subsidy standards are established by HHA to ensure that vouchers are issued to families for the appropriate size. Subsidy standards describe the factors HHA uses to determine the voucher size for which a family qualifies and includes the identification of the minimum and maximum number of household members for each unit size. This section also identifies circumstances under which an exception to the subsidy standards may be approved as well as other circumstances which dictate the voucher size for which a family qualifies.

Applicants who pass screening and are qualified for housing will be issued vouchers based on the policies established in this chapter. Units will be occupied by families of the appropriate size; however, the unit must meet the applicable space requirements according to HUD and HHA inspections standards.

6.1.1 Determining Family Voucher Size

For each family, HHA determines the appropriate number of bedrooms according to HHA subsidy standards and enters the family unit size on the voucher that is issued to the family.

The family voucher size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The subsidy standards provide for the smallest number of bedrooms needed to house a family without overcrowding. The following principles govern the size of the subsidy for which an applicant or participant household will qualify:

1. One (1) bedroom is allotted for the head of household and is cohabited by any spouse and/or partner of the head of household.
2. One (1) bedroom is allotted for every two (2) persons after the head of household.
3. One (1) bedroom is allotted for any live-in aide. No additional bedrooms will be provided for the live-in aide's family.
    a) HHA will permit a live-in aide's family members to reside in the subsidized unit provided it does not violate HUD occupancy requirements.
    b) While a live-in aide may be assigned a bedroom, and added to the lease as a permitted occupant, the aide – no matter their relationship to the head of household, co-head or any other household member – has no survivorship rights to the subsidy.
    c) Single elderly or disabled households with a live-in aide will be assigned a two-bedroom subsidy.
4. A family that consists of a pregnant woman (with no other persons) will be treated as a two-person family and will be allocated an additional bedroom for the unborn child.

5. Children related to a household member by birth, adoption, or court-awarded custody will be considered when determining voucher size.
6. Foster children will be considered when determining voucher size. The family may add foster children to the household as long as it does not overcrowd the unit based on HHA's occupancy standards.
7. Space may be provided for a family member who is away at school but who lives with the family during school recesses. See policy on **Absent Students**.
8. Children temporarily placed outside the home will be considered when determining the voucher size.
9. Children who reside in the unit less than 50 percent of the time will not be considered when determining the voucher size.
10. At the discretion of HHA, a household member may be assigned a separate bedroom if required for a verified reasonable accommodation.

HHA will follow HUD's maximum inspections space standards in determining exceptions to the maximum allowable persons in a unit.

6.2 Temporarily and Permanently Absent Family Members

An individual who is or is expected to be absent from the assisted apartment for up to 180 consecutive days is considered temporarily absent and continues to be considered a family member. See policies on **Absence from the Unit**.

HHA will require that temporarily absent family members complete and submit required reexamination documents on a timely basis. An individual who is or is expected to be absent from the assisted apartment for more than 180 consecutive days is considered permanently absent and is no longer a family member. Exceptions to this policy are reviewed on a case-by-case basis. HHA will require documentation to support the length of the period the family member will be absent from the unit.

If an individual who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

6.2.1 Absent Students

When family member attends school away from home, the person will continue to be considered a family member unless information becomes available to HHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

6.2.2 Absences Due to Placement in Foster Care

Children temporarily (less than 90 consecutive days) absent from the home as a result of placement in foster care are considered members of the family. If a child has been placed in foster care, HHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for subsidy standards.

6.2.3 Absent Adults Due to Military Service

An adult family member absent from the apartment more than 180 consecutive days due active military service will continue to be considered a family member provided that their income is included in the calculation of household income and there is an expected date of return that is within a year of their departure.

6.2.4 Individuals Confined for Medical Reasons

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

HHA will request verification from a responsible medical professional. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

6.2.5 Return of Permanently Absent Family Members

The family must request HHA approval for the return of any adult family members that HHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this Plan.

6.3 VOUCHER PROGRAM BRIEFING

When a family is determined to be eligible for the HCV program, HHA will ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, HHA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on HHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit and limits the amount of time the family has to successfully locate an acceptable unit.

Families may be briefed individually or in groups. Generally, HHA will conduct briefings in groups unless individual assistance is requested and/or is needed for persons with limited English proficiency (see **APPENDIX B: LANGUAGE ASSISTANCE PLAN AND LIMITED ENGLISH PROFICIENCY (LEP) POLICY**). HHA will take reasonable steps to ensure meaningful access by persons with Limited English proficiency.

Generally, all adult family members 18 and older are required to attend the briefing. If any adult member is unable to attend, HHA may waive this requirement if the head, spouse or co-head attends the briefing.

6.3.1 Notification

Families will be notified by electronic mail or US mail with first-class postage of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the electronic mail is returned, or if the notice is returned by the post office with no forwarding address or otherwise undeliverable, the applicant will be denied, and their name will be withdrawn

from the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will automatically be scheduled for another briefing. HHA will notify the family of the date and time of the second scheduled briefing by electronic mail or US mail with first-class postage. Applicants who fail to attend two scheduled briefings, without HHA approval, will be denied assistance (see **Denial of Assistance**).

6.3.2 Oral Briefing

Each briefing will include information on the following subjects:

1. How the HCV program works;
2. Family and owner responsibilities;
3. Where the family can lease a unit, including renting a unit inside or outside HHA's jurisdiction and any information on selecting a unit that HUD provides;
4. An explanation of how portability works;
5. An explanation of how portability may affect the family's assistance through screening, subsidy standards, payment standards and any other elements of the portability process which may affect the family's assistance; and
6. An explanation of the advantages of living in areas that do not have a high concentration of low-income families.

HHA will not discourage the family from choosing to live anywhere in HHA's jurisdiction or outside HHA's jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order.

Additionally, HHA will take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6 and 28 CFR part 35, subpart E, and provide information on the reasonable accommodation process.

6.3.3 Briefing Packet

Documents and information provided in the briefing packet will include the following. This information is provided to the applicant either at the time of formal application or at the Briefing session.

1. The term of the voucher, and HHA's policies on any extensions or suspensions of the term, including how to request an extension to the term of the voucher;
2. A description of the method used to calculate the housing assistance payment for a household, including how HHA determines the payment standard for a household, and how HHA determines total tenant payment for a household;
3. An explanation of how HHA determines the maximum allowable rent for an assisted unit;
4. Where the family may lease a unit and an explanation of how portability works including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance;

5. The HUD-required tenancy addendum, which must be included in the lease;
6. The form the family must use to request approval of tenancy, and an explanation of how to request approval;
7. A statement of HHA policy on providing information about households to prospective owners;
8. HHA's subsidy standards and when HHA will consider granting exceptions as allowed by 24 CFR 982.404(b)(8), and when exceptions are required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA);
9. Materials on how to select a unit and any additional information on selecting a unit that HUD provides;
10. Information on federal, state and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification (including information on requesting exception payment standards as a reasonable accommodation) under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA ;
11. A list of landlords known to HHA who may be willing to lease a unit to the household or other resources such as newspapers, organization and online search tools, known to HHA that may assist the family in locating a unit. HHA will try to ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration;
12. Notice that if the family includes a person with disabilities, HHA is subject to requirements under 24 CFR 8.28(a)(3) to provide a current listing of accessible units known to HHA, and if necessary, other assistance in locating an available unit;
13. The family obligations under the program, including any obligations of a welfare-to-work family, and any obligations of other special programs if the family is participating in one of those programs;
14. HHA's informal review and hearing procedures, including when HHA is required to offer a household the opportunity for an informal review or hearing, and how to request the review or hearing;
15. An explanation of the advantages of moving to areas that do not have a high concentration of low-income families, which may include access to accessible and high-quality housing, transit, employment opportunities, educational opportunities, recreational facilities, public safety stations, retail services, and health services;
16. The HUD pamphlet on lead-based paint entitled, *Protect Your Family from Lead in Your Home*;
17. Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction;
18. Information about the characteristics of these areas including job opportunities, schools, transportation, and other services;
19. An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers; and

20. The grounds on which HHA may terminate assistance for a household because of household action or failure to act.

Additional Items to be Included in the Briefing Packet

In addition to the required materials listed above, HHA will provide the following materials in the briefing packet:

1. Information on Family Self-Sufficiency Program;
2. Information on how to fill out and file a housing discrimination complaint form and contact information for HOPE Fair Housing;
3. Information about the protections afforded by the VAWA;
4. Information on the Protecting Tenants at Foreclosure Act that sunset on December 31, 2014;
5. "Is Fraud Worth It?" [Form HUD-1141-OIG], which explains the types of actions a family must avoid and the penalties for program abuse;
6. "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to [Notice PIH 2010-19];
7. The HHA Mission Statement;
8. Any city of Houston Resource List, or Housing Fact Sheet; and
9. Information on Credit Bureaus.

6.4 VOUCHER ISSUANCE

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher serves as evidence that HHA has determined the family to be eligible for the program, and that HHA expects to have money available to subsidize the family if the family finds an approvable unit.

A voucher can be issued to an applicant family only after HHA has determined that the family is eligible for the program based on information received during the eligibility process and after the family has attended a mandatory briefing.

6.4.1 Funding Shortfall

If funds are insufficient to house the family at the top of the waiting list, HHA will wait until it has adequate funding before issuing additional vouchers. If HHA determines that there is insufficient funding after a voucher has been issued, HHA may rescind the voucher and place the affected family back on the waiting list.

6.5 VOUCHER TERM

The initial voucher term will be a maximum of 120 calendar days. The family must submit a Request for Tenancy Approval (RFTA) and proposed lease within the 120-day period unless HHA grants an extension.

6.5.1 Extensions of Voucher Term

Families that are unable to locate a suitable unit within the 120-calendar day limit on the initial voucher term can request an extension. Any request for an extension must be made prior to the expiration date of the initial voucher term and must be in writing.

1. **Initial Extension:** initial extensions to the voucher term are at the discretion of HHA and are limited to a maximum of up to 30 calendar days.
2. **Additional Extension**: extensions beyond the initial 30-day extension noted above will only be considered in the following circumstances:
    a. An additional extension is needed and requested as a Reasonable Accommodation due to a disability; or
    b. Other extraordinary circumstances that HHA deems sufficient in nature to raise an issue of fairness and therefore require additional time, i.e. for elderly persons, major illness or extended incapacitation.

    In each of these cases the additional extension (beyond the initial extension) may not exceed an additional 30 calendar days. Therefore, the maximum term of a voucher is 180 days, outside of any approved tolling or suspension, as noted below.

Extensions are granted at the sole discretion of HHA and are not subject to the appeal process.

NED, VASH and EHV vouchers are subject to the requirements above. See below for requirements for other special purpose vouchers.

6.5.2 Special Purpose Voucher Program Issuance and Extension Requirements

The following policies and requirements apply to Mainstream, FUP, and FYI applicants and participants.

1. Initial Voucher Term: a maximum of 120 days.
2. Extension(s):
    a. Requests may be made in writing or verbally as long as the request is made on or before the term expiration date and is consistent with the applicable requirements.
    b. HHA will provide, at minimum, one 90-day extension and will not restrict approval of the initial extension to certain circumstances or require documentation from applicants.
    c. Any subsequent extension requests beyond the initial extension must be made in writing and consistent with the policies in this Plan.
3. HHA will notify the family prior to the initial term expiration at least once to remind them of the term expiration date, the process for requesting an extension, and to inquire if the family is in need of assistance with their housing search.

6.5.3 Tolling or Suspensions of Voucher Term

Tolling or suspension of the voucher term are administrative processes that stop the timer of the term of the voucher. The overall purpose of this provision is to put the participant back in the position that they would have been in prior to the event that triggered the tolling or suspension.

HHA applies tolling and suspension in the following circumstances:

1. ***Tolling:*** Prior to the expiration date of the voucher and any extension approved by HHA, the family submits a RFTA (in this situation the unit "ready date" for the inspection cannot be more than thirty (30) calendar days from the date the RFTA was submitted); or
2. ***Suspension:*** Other extraordinary circumstances that HHA deems sufficient in nature to raise an issue of fairness and therefore require additional time, not to exceed one-hundred twenty-five (125) calendar search days.

6.5.4 Expiration of Voucher Term

Applicants

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RFTA), HHA will require the family to reapply for assistance in accord with HHA's policies on applying for assistance. Applicants whose vouchers have expired are not entitled to any further appeal or informal hearing process.

Participants

For existing participants approved to move to a new unit within HHA's jurisdiction, if a family does not locate a new unit within the term of the voucher and any extensions, tolling or suspensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and HHA approves.

However, if the family is not approved to remain in the unit or has already moved out of the unit and HHA has issued the family a voucher, and the full term of that voucher and any approved extensions, tolling or suspensions has expired, then the family will be terminated. Participants are not eligible to request an informal hearing as an expired voucher is considered a non-appealable PHA administrative determination not to extend the search time of the voucher.

CHAPTER 7: VERIFICATION

7.1 OVERVIEW

HHA verifies all information that is used to establish the family's eligibility and level of assistance. Applicants and participants must cooperate with the verification process as a condition of receiving assistance.

7.2 FAMILY CONSENT TO RELEASE OF INFORMATION

The family must supply any information that HHA or HUD determines is necessary for the administration of the program and must consent to verification of that information by HHA.

7.2.1 Authorization for the Release of Information/Privacy Act Notice (Form HUD-9886-A)

Each adult family member and the head of household, spouse, or co-head, regardless of age, is required to sign form HUD-9886-A, Authorization for the Release of Information/Privacy Act Notice or comparable form authorized by HUD.

The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and to provide the family's consent only for the specific purposes listed on the form.

On or after January 1, 2024, current program participants must sign and submit a new Form HUD-9886-A at their next interim or regular reexamination. This form will only be signed once. Another Form HUD-9886-A will not be submitted to HHA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or HHA in administrative instructions.

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to HHA to revoke consent.

HHA will deny admission to the program or terminate assistance if any member of the applicant or participant family fails to sign and submit required consent forms which allow HHA to obtain information that HHA has determined is necessary in administration of the HCV program. Further, revocation of consent to the form HUD-9886-A by any family member will result in termination of assistance or denial of admission.

7.2.1 Other HHA-Required Consent Forms

Additionally, families are required to sign other HHA consent forms as needed to collect information relevant to the family's eligibility and level of assistance. HHA will deny admission to the program or terminate assistance if any adult member of the applicant or participant family fails to sign and submit the consent forms which allow HHA to obtain information that HHA has determined necessary in the administration of the HCV program.

7.3 USE OF OTHER PROGRAMS' INCOME DETERMINATIONS

During a household's regular recertification, HHA may opt to (but is not required to) determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from certain means-tested federal public assistance programs.

HHA will not accept other programs' determinations of income for any new admission or interim reexamination.

HHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions. Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the HHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

7.3.1 Acceptable "Safe Harbor" Income Determinations

HHA will accept *Safe Harbor* income determinations from any of the following programs:

1. Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
2. Medicaid (42 U.S.C. 1396 et seq.);
3. Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
4. Earned Income Tax Credit (EITC) (26 U.S.C. 32);
5. Low-Income Housing Tax Credit (LIHTC) program (26 U.S.C. 42);
6. Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786);
7. Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
8. Other programs administered by the HUD Secretary;
9. Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
10. Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register*.

In order to be acceptable, the income determination must:

- Be dated within 12 months of the dates listed above;
- State the family size;
- Be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members); and
- Must state the amount of the family's annual income.

The determination need not list each source of income individually. If HHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the HHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, HHA will use the most recent income determination, unless the family presents acceptable evidence that HHA should consider an alternative verification from a different Safe Harbor source.

7.3.2 Requirements for Utilizing "Safe Harbor" Income Determinations

Prior to using any Safe Harbor determination from another program, HHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, HHA will obtain third-party verification of all sources of income and assets (as applicable).

When HHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to HHA. Depending on when the change occurred, the change may or may not impact HHA's calculation of the family's total annual income. Changes that occur between the time HHA receives the Safe Harbor documentation and the effective date of the family's regular recertification will not be considered. If the family has a change in income that occurs after the regular recertification effective date, HHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination. In this case, HHA will use third-party verification to verify the change.

7.4 VERIFICATION HIERARCHY

Unless HHA utilizes an income determination from a means-tested federal assistance program (as described in **Use of Other Programs' Income Determinations**) HHA is responsible for obtaining third-party verification of:

- Reported family annual income;
- The value of assets (as applicable);
- Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

HHA will use the most reliable form of verification that is available and will document the reasons when HHA uses a lesser form of verification. HHA will attempt to obtain third-party verification, when available, prior to accepting self-certification, except instances when self-certification is explicitly allowed, as described below.

For MTW households: please see **Alternative Verification Hierarchy – MTW Households**.

For non-MTW households: in order of priority, the forms of verification that HHA will use are as follows:

Level	Verification Technique	Ranking/Order of Acceptability	Additional Details
6	Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV)	Highest	• HHA must pull the EIV Income Report for each family at every regular reexamination.

Level	Verification Technique	Ranking/Order of Acceptability	Additional Details
	system (See **EIV Income Reports**)		• EIV may be used as the sole verification of Social Security income and Medicare insurance premiums. • EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	**Upfront Income Verification (UIV)** using non-EIV system	Highest	• Examples: The Work Number or web-based state benefits systems, as available.
4	**Written Third-Party Verification** OR Upon implementation of HOTMA and subject to further guidance from HUD, EIV + Self-Certification	High	• Third-party verification may be obtained directly from the third party or through the family. • Upon implementation of HOTMA: ○ HHA can choose either option (third-party verification or EIV with self-certification) when both are available to verify income. ○ HHA must use written, third-party verification when the income type is not available in EIV. ○ Written, third-party verification is used when tenant disputes EIV-reported employment and income information. ○ The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	**Written Third-Party Verification Form**	Medium	• HHA will use Level 3 if Level 5 or Level 4 verification is not available and/or when the applicant or tenant is unable to provide acceptable documentation. • HHA may substitute Level 2 for Level 3, only completing one of these two forms of verification before moving to self-certification.
2	**Oral Third-Party Verification**	Medium	• HHA may substitute Level 2 for Level 3, only completing one of these two forms

Level	Verification Technique	Ranking/Order of Acceptability	Additional Details
			of verification before moving to self-certification.
1	**Self-Certification**	Low	• HHA will use self-certification: ○ As a last resort when unable to obtain any type of third-party verification; or ○ If specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed $50,000.

7.4.1 Alternative Verification Hierarchy – MTW Households

MTW Policy

MTW Waiver: Agency-Specific Waiver **–** Alternative Verification Methods

Approval Date: FY 2022

Applicable to: All MTW-assisted households

Description: This activity waives provisions of HUD PIH Notice 2018-18 and successor notices (including PIH Notice 2023-27) to allow HHA to utilize an alternative, streamlined method to verify household member income for all Public Housing and HCV program applicants and participants.

Under the existing HUD Income Verification Hierarchy, HHA is required to request and document attempts to obtain written third-party verification forms and oral verification prior to relying on a tenant declaration. HHA's modified Income Verification Hierarchy will allow HHA to rely on any of the third-party verification methods before accepting self-certification. This process will streamline the verification process and allow HHA to repurpose staff time on tasks outside of verification.

In order of priority, the forms of verification that HHA will use are:

1. **Upfront Income Verification using HUD's EIV and IVT** – Highest (Mandatory); or
2. **Upfront Income Verification (UIV)** using non-HUD system – Highest (Optional); or
3. **Written or Oral Third-Party** (includes Written Third-Party Verification, Written Third-Party Verification Form, or Oral Third-Party Verification)* – High (Mandatory)

Note: HHA may obtain any of the three forms of verification listed above but does not need to attempt to obtain all three forms of verification before moving on to self-certification.

4. **Self-Certification*** – High (Optional)

**As applicable and/or as needed to supplement EIV documentation and/or when third-party documentation cannot be obtained.*

Families may request an **Alternative Verification Hierarchy Hardship** if the family does not agree with an income and rent determination based on documentation used under the Alternative Verification Hierarchy.

7.4.2 Alternative Verification Requirements

MTW Policy

MTW Waiver: Agency-Specific Waiver – Alternative Verification Methods

Approval Date: FY 2022

Applicable to: All MTW-assisted households

Description: This activity waives provisions of HUD PIH Notice 2018-18 and successor notices to allow HHA to utilize an alternative, streamlined method to verify household member income for all Public Housing and HCV program applicants and participants. Policies approved under this waiver are outlined below, and detailed throughout this chapter:

1. **Extend the time that verification documents are valid:** Verifications for reexaminations may not be dated more than 180 days from the effective date of the transaction.
2. **Fixed Sources of Income:** Verification documents for fixed income sources will be valid for the full calendar year in which the income is effective.
3. **Increase the discrepancy threshold to $5,000.** HHA will continue to identify income discrepancies and take action to process discrepancies which may result in interim or annual correction actions; however, the threshold for the discrepancy will be set at $5,000.
4. **Establish an Alternative Verification Hierarchy** to streamline the verification process.

7.4.3 Enterprise Income Verification (EIV) System

HHA will use HUD's EIV system as a third-party source to validate participant employment and verify certain income information during reexaminations of family composition and income.

The following policies apply to the use of HUD's EIV system. Note that while HHA is required to run EIV and IVT reports at each regular recertification, it is not required to use those reports if at a regular recertification HHA used Safe Harbor verification from another means-tested federal assistance program to determine the family's income.

EIV Income Reports

EIV reports will be run within 120 days of the effective recertification date and compared to family-provided information as part of the regular reexamination process and/or as needed.

EIV reports will be used as necessary to identify earned income and unemployment benefits, and to verify and calculate Social Security, Dual Entitlement, and/or Supplemental Security Income (SSI) benefits. Upon implementation of HOTMA, EIV may be used to verify and calculate earned income and unemployment benefits if accompanied by a self-certification by the family that the amount is accurate and representative of current income. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income Validation Tool (IVT)

The IVT report facilitates and enhances identification of unreported or under-reported income. The IVT also provides income and wage, unemployment compensation and SSA benefit information. Additionally, the IVT report provides income information for heads of household and family members where there may be discrepancies in family reported income and employer reported information.

At each regular reexamination of income and family composition and within 120 days of the effective recertification date, and/or as needed, HHA will:

1. Review the EIV Income and IVT reports to confirm/validate tenant-reported income;
2. Maintain the EIV Income and IVT Reports in the tenant file;
3. Obtain current acceptable tenant-provided documentation to supplement EIV information (where applicable); and
4. Use current family-provided documentation and/or third-party verification to calculate annual income, as needed.

Additionally, at each regular reexamination of income and family composition, and/or as needed, using the IVT, HHA will:

1. Identify any reported discrepancies in family reported income and employer reported information;
2. Request the family to provide any documentation to confirm or dispute the income discrepancy;
3. As applicable, determine the degree of family underreporting or misreporting of income information; and
4. Take action in accordance with HHA policy to resolve the identified discrepancies.

New Hires Report

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104).

HHA will review the EIV New Hires Report at each family's regular recertification.

New Admissions

For each new admission, HHA will review the EIV Income and IVT Reports within 120 days from the first IMS/PIC/HIP submission date to ensure that families, at the time of admission, accurately reported income. HHA will print and retain the reports and will take action to address any income discrepancies timely.

No Income Reported by HHS or SSA Report

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104).

HHA will generate the No Income Reported by HHS or SSA Report at least quarterly and will retain the report.

HHA will re-verify the status of participants identified on the report quarterly. Based on the information provided by the family and in EIV, HHA may require that family members provide verifications or sign release forms in order to obtain additional verification.

When HHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in **PROGRAM INTEGRITY**.

EIV Identity Verification

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to HUD data for a match on Social Security number, name, and date of birth. When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

HHA will generate, review, and retain the report at least monthly.

HHA will identify residents whose identity verification has failed. HHA will attempt to resolve discrepancies by obtaining appropriate documentation from the family. When HHA determines that discrepancies exist as a result of HHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Report

HHA will review the Deceased Tenants Report on a monthly basis, confirm the death of any household member, and timely remove any deceased household member. If the deceased person is a sole-member household, HHA will list the end of participation (EOP) as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

When the only remaining household member is a live-in aide, foster child, or foster adult, they are not entitled or eligible for continued occupancy. HHA may not designate the live-in aide or foster adult as the new head of household or change the relation code on the form HUD-50058.

Other EIV Reports

HHA will review other EIV reports, such as the Multiple Subsidy Report and Failed EIV Pre-Screening and Failed Verification reports as required per Notice PIH 2023-27 or subsequent guidance.

7.4.4 Upfront Income Verification (UIV)

UIV refers to HHA'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 HHA.

7.4.5 Written Third-Party Verification

Written third-party verification is an original or authentic document generated by a third-party source. Such documentation may be in the possession of the resident or the applicant. HHA may, at its discretion, reject any family-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable family-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source) are an acceptable form of written, third-party verification.

In general, HHA will use third-party verification from the source in the following circumstances:

1. At regular recertification when EIV + self-certification is not used;
2. For all new admissions; and
3. For all interim reexaminations.

HHA will not use this method if it is able to use an income determination from a means-tested federal assistance program or if—for non-MTW households—HHA uses EIV + self-certification as outlined above.

The following are HHA's general verification requirements when written third-party verification is used:

1. Documentation must generally be dated within 180 calendar days of the effective date of the transaction for MTW households, or 120 calendar days of the date received by HHA for non-MTW households. For fixed income sources, a statement dated within the appropriate benefit year is acceptable documentation. See MTW Policy on **Alternative Verification Requirements** for alternative requirements for MTW households.
2. HHA may reject any family-provided documentation if:
    a) The document has been altered, mutilated, or is not legible/readable;
    b) The document appears to be a forged document (i.e., does not appear to be authentic); and/or
    c) The document is missing key information necessary to verify and calculate the income accurately and attribute the income to the correct family member.
3. For employment income, HHA will generally obtain the minimum required amount of pay-stubs needed to calculate income. However, for new income sources or when the

minimum number of pay-stubs is not available, HHA may determine income based on the information from a traditional written, third-party verification form or the best available information.

4. When verification of assets is required, HHA must obtain at least one statement that reflects the current balance of banking/financial accounts.

See also **When Third-Party Verification Is Not Required**.

7.4.6 Written Third-Party Verification Form

As needed, HHA may obtain a written third-party verification form, which is a standardized form used to collect information from a third-party source. HHA may mail, fax, or e-mail third-party written verification form requests to third-party sources. However, on a case-by-case basis for non-MTW households, HHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third-party verification form.

7.4.7 Oral Third-Party Verification

As needed, HHA may obtain oral third-party verification, which is independent verification of information obtained by contacting the individual income/expense source(s), as identified through the UIV technique or by the family. HHA staff will document the family's file to record the date and time of the telephone call (or visit to the third party), the name of the person and organization contacted and telephone number, along with the confirmed information.

HHA may skip this level of verification for non-MTW households if written third-party verification form was attempted and the source did not respond; in such a case, HHA may move directly to self-certification.

7.4.8 When Third-Party Verification Is Not Required

Third-party verification will not be required under the following circumstances:

1. **Verification Service Charge**: if there is a service charge for third-party verification, HHA will assume that third-party verification is not available and use the next level of verification according to the verification hierarchy set forth in this chapter.
2. **Primary Documents**: third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.
3. **Assets Disposed of for Less than Fair Market Value**: HHA will accept a self-certification from the family as verification of assets disposed of for less than fair market value.
4. **Value of Assets and Asset Income**:
    - HHA will accept a self-certification for families with net assets totaling $50,000 or less for MTW households.
    - For non-MTW households, HHA will accepts a self-certification of family net assets totaling $5,000 or less, or upon implementation of HOTMA, $50,000 or less; however, for non-MTW families, HHA will obtain third-party verification of assets regardless of the amount during the intake process and at least every three years thereafter. See **Verification of Assets** for more information on asset policies.

5. **Fully-Excluded Income**: HHA will accept a self-certification of income that is fully excluded; see **Income from Excluded Sources**.

7.4.9 Self-Certification

Self-certification is used as a last resort when HHA is unable to obtain third-party verification.

When information cannot be verified in EIV, by a third party, or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to HHA. HHA will document the file with attempts to obtain higher forms of verification before relying on self-certification.

HHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable HHA and must be signed by the family member whose information or status is being verified.

Self-certification is an acceptable form of verification when:

1. A source of income is fully excluded;
2. Net family assets total $50,000 or less for MTW families;
3. Net family assets total $5,000 or less for non-MTW families, or upon implementation of HOTMA, $50,00 or less;
4. The family declares that they do not have any present ownership in any real property; and/or
5. A family states that they have non-recurring income that will not be repeated in the coming year.

Self-certification is generally <u>not</u> acceptable for the following:

1. Social Security/SSI benefits,
2. Public assistance,
3. Disability (unless obvious or otherwise known, for reasonable accommodation purposes only),
4. Unemployment,
5. Veteran's Administration pension,
6. Court-ordered child support,
7. Worker's compensation,
8. Unreimbursed medical expenses,
9. Full-time student status.

7.5 INCOME DISCREPANCIES

7.5.1 Substantial Difference

If UIV/third-party information differs substantially from family-provided information, HHA reserves the right to request additional verification information and use any other verification method in priority order to reconcile the difference.

> ***MTW Policy***
>
> **MTW Waiver**: Agency-Specific Waiver – Alternative Verification Methods
>
> **Approval Date**: FY 2022
>
> **Applicable to**: All MTW-assisted households
>
> **Description**: Under this waiver, HHA will continue to identify income discrepancies and take action to process discrepancies which may result in corrections to reexamination actions; however, the threshold for the discrepancy will be set at $5,000.

For non-MTW households, the threshold for discrepancies is set at $2,400 per year.

7.5.2 Fraud

Information provided by the family that proves to be untrue may be used to disqualify the applicant for admission or terminate the participant's assistance on the basis of attempted fraud. HHA considers false information concerning the following to be grounds for rejecting an applicant or terminating assistance:

1. Income, assets, family composition;
2. Social Security numbers;
3. Preferences;
4. Allowances (e.g., medical, disability and/or child care expenses); and
5. Previous participant history or criminal history.

The family shall be notified in writing of such determination by HHA and will be given the opportunity for an informal review or hearing, as applicable (see **INFORMAL REVIEWS AND HEARINGS**). See also **PROGRAM INTEGRITY**.

7.6 VERIFYING FAMILY INFORMATION

7.6.1 Verification of Legal Identity

HHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
• Certificate of birth, naturalization papers • Church-issued baptismal certificate	• Certificate of birth • Adoption papers

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
• Current, valid driver's license or Department of Motor Vehicles identification card • U.S. military discharge (DD 214) • Current U.S. passport • Current government employer identification card with picture	• Custody agreement • Health and Human Services ID • Certified school records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the HHA.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the HHA has reason to doubt the identity of a person representing him or herself to be a participant.

7.6.2 Social Security Number Verification

The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Additionally, the head of household may not opt to remove a household member from the family composition for this purpose.

Documents Used to Verify Social Security Numbers

Social Security numbers must be verified only once during continuously-assisted occupancy, unless HHA has received conflicting information concerning a household member's SSN.

HHA will accept the following documentation as acceptable evidence of the Social Security number:

1. An original SSN card issued by the Social Security Administration (SSA);
2. An original SSA-issued document, which contains the name and SSN of the individual;
3. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual, along with other identifying information of the individual;
4. Such other evidence of the SSN as HUD may prescribe in administrative instructions.

If HHA has attempted to obtain third-party verification of an applicant's SSN prior to admission, HHA may—and for VASH families, will—accept the applicant's self-certification and a third-party document with their name printed on it (such as a bank statement, benefit letter, utility bill or cell phone bill) to satisfy the SSN disclosure requirement. However, this is only allowable when HHA has exhausted all other attempts to obtain the required documentation and has documented why other SSN documentation was unavailable. If the tenant's SSN is verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then HHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

HHA may reject documentation of an SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. HHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, HHA will terminate the individual's assistance.

HHA will retain in the family's file the verification of each SSN provided. The retention of the EIV Summary Report or Income Report showing an individual's status as *verified* is also adequate documentation of an individual's SSN.

Adding a Family Member who is a Child Under Six Who Lacks a Social Security Number

When a family requests to add a new household member who is at least 6 years of age, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or reexamination, in addition to the documentation required to verify it. HHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not yet been assigned an SSN, the participant must provide the SSN assigned to the new child and the required documentation within 90 calendar days of the child being added to the household. If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, HHA may grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement, if HHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period HHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household and will be entitled to all of the benefits of being a household member during the time allotted for the family to comply with the SSN disclosure and documentation requirements. Upon expiration of the time period, if the family has not complied with the SSN disclosure and documentation requirements, HHA will terminate the family's assistance.

7.6.3 Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of Social Security retirement benefits cannot be provided, HHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy, unless HHA receives information that a household member's date of birth is incorrect.

7.6.4 Verification of Family Relationships

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 generally is sufficient verification of family relationships.

Marriage

Certification by the head of household is normally sufficient verification of marriage. If HHA has reasonable doubts about a marital relationship, HHA will require the family to document the marriage. A marriage certificate generally is required to verify that a couple is married. In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

Certification by the head of household is normally sufficient verification. However, HHA may require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

Absence of Adult Member

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides, such as a lease or utility bill).

Foster Children and Foster Adults

Third-party verification from the state or local government agency responsible for the placement of the foster child or foster adult with the family is required.

7.6.5 Student Status Verification

HHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

1. The family claims full-time student status for an adult other than the head, spouse, or co-head;
2. The family claims a child care deduction to enable a family member to further his or her education; or
3. The family includes a student enrolled in an *institution of higher education.* See **Students Enrolled in Institutions of Higher Education**.

See definition of *full-time student* in the **GLOSSARY OF TERMS AND DEFINITIONS**.

Verification of Restrictions on Assistance to Students

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

In accordance with the verification hierarchy HHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

1. The student is enrolled at an educational institution that does not meet the definition of institution of higher education in the Higher Education Act of 1965;
2. The student is at least 24 years old;
3. The student is a veteran;
4. The student is married;
5. The student has at least one dependent child;
6. The student is a person with disabilities and was receiving assistance prior to November 30, 2005.

If HHA cannot verify at least one of these exemption criteria, HHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, HHA will verify either the student's parents' income eligibility or the student's independence from his/her parents.

Verifying Student Independence and Parental Income of Students Subject to Eligibility Restrictions

HHA is required to determine the income eligibility of a student's parents. HHA will request an income declaration and certification of income from the appropriate parent(s). HHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income (except if the student meets the Department of Education's definition of *independent student*).

The parents will be required to submit the information directly to HHA. HHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification.

Supporting documentation may include, but is not limited to, Internal Revenue Service tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

Verification of Student Financial Assistance and Fees

HHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the Higher Education Act of 1965, HHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If HHA is unable to obtain third-party written verification of the requested information, HHA will pursue other forms of verification following the verification hierarchy.

7.6.6 Verification of Disability

HHA will verify the existence of a disability in order to determine waiting list preferences (as applicable) and in order to allow certain income disallowances and deductions from income.

For family members claiming disability who receive disability benefits from the SSA, HHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, HHA will request a current (dated within the current benefit year) SSA benefit verification letter from each family member claiming disability status.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are generally not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability (see **Disabled Deduction: Definition of a Person with a Disability**). The knowledgeable professional will verify whether the family member does or does not meet the HUD definition of disability.

7.6.7 Verification of U.S. Citizenship and of Eligible Immigration Status

HUD requires the family to provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen. The declaration must be signed personally by any family member 18 or older or by a guardian for minors.

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless HHA receives information indicating that an individual's declaration may not be accurate.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

For family members age 62 or older who claim to be eligible immigrants, proof of age is required; however, no further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, HHA will verify immigration status with the U.S. Citizenship and Immigration Services (USCIS). HHA will follow all USCIS protocols for verification of eligible immigration status.

7.6.8 Verification of Preference Status

HHA must verify any preferences claimed by an applicant that determined placement on the waiting list. Preferences are covered in detail in **Local Preferences**.

7.7 VERIFICATION OF INCOME

HHA will verify income using applicable regulatory and HHA policies and procedures. Applicable requirements may differ according to voucher type and certification type, as noted below:

1. **MTW Tiered Rent Households:**
    a. **At Admission and Interims, Current/Anticipated Income:** When verifying and calculating annual income for a household at initial eligibility screening and admission to the program, as well as interim reexaminations where the family is reporting a change in income, HHA will collect and verify current/anticipated income. Generally, anticipated income is calculated by annualizing current/anticipated recent income received, generally within the last two months of when information is collected by HHA.
    b. **Recertifying Households, Retrospective Income:** When verifying and calculating annual income for a household at the time of a regular reexamination, HHA will review and calculate the family's income from the preceding 12-month period, taking into consideration any interims or changes that have taken place during that period. If HHA determines that the family's prior-year income does not reflect the family's current income, it may adjust the calculation of annual income as needed.
2. **All Other Households:**
    a. **Prior to implementation of the HOTMA Final Rule (Sections 102 and 104):**
        i. **Prospective Income:** When verifying and calculating annual income for a household, HHA will generally collect and verify current/anticipated income. Generally, anticipated income is calculated by annualizing the income within the last two months of the retrospective period.
    b. **Upon implementation of the HOTMA Final Rule (Sections 102 and 104):**

Note: the following two bullet points are only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

        i. **At Admission, Prospective Income:** When verifying and calculating annual income for a household at initial eligibility screening and admission to the program, HHA will collect and verify current/anticipated income. Generally, anticipated income is calculated by annualizing the income in the last two months of the retrospective period.

ii. **Recertifying Households, Retrospective Income:** when verifying and calculating annual income for a household at the time of a regular reexamination, HHA will review and calculate the family's income from the preceding 12-month period, taking into consideration any interims or changes that have taken place during that period. If HHA determines that the family's prior-year income does not reflect the family's current income, it may adjust the calculation of annual income as needed.

See **Determining Annual Income** in the **INCOME AND SUBSIDY DETERMINATIONS** chapter for more information on calculating income from various sources.

7.7.1 Employment Income

Employment income will be verified according to the **Verification Hierarchy** (or, **Alternative Verification Hierarchy – MTW Households**, as applicable). This may include UIV (such as the Work Number), written third-party verification (such as pay stubs or EIV + self-certification), and/or written or oral third-party verification from the employer.

Self-certification of employment income may be used as a last resort when HHA is unable to obtain third-party verification.

7.7.2 Business and Self-Employment Income

Business owners and self-employed persons will be required to provide income tax returns for the most recent year with corresponding official tax forms and schedules attached. 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. For those in "gig employment" situations, HHA may opt to accept monthly or weekly statements from the applicable app in addition to the person's Schedule C and form IRS 1099 or 1099k.

HHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations. At any reexamination, HHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed for less than three (3) months, HHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months.

If the family member has been self-employed for only three (3) to twelve (12) months, HHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

Net Income from Rental Property

If the family reports income from rental property, the family must provide:

1. A current executed lease for the property that shows the rental amount or certification from the current tenant; and
2. A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with

Schedule E (Rental Income). If Schedule E was not prepared, HHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

However, upon implementation of HOTMA, if the family has a present ownership interest in such real property, a legal right to reside in it, the effective legal authority to sell it, and it is considered suitable for their occupancy as a residence, that ownership interest may be disqualifying; however there may be circumstances where the family does not have the effective legal authority to sell the real property due to the structure of their business. See **Real Property Ownership** and **Asset Restrictions**.

7.7.3 Verification of Social Security and SSI Benefits

Applicants

To verify the Social Security and SSI benefits of applicants, HHA will request a current SSA benefit verification letter from each family member that receives Social Security benefits. If the family is unable to provide the document(s), HHA will help the applicant request a benefit verification letter from SSA's website at **www.ssa.gov** or ask the family to request one from the SSA (see **Income from Fixed Sources**).

Participants

To verify the SS/SSI benefits of participants, HHA will obtain information about Social Security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, HHA will request a current SSA benefit verification letter from each family member that receives SSA benefits. If the family is unable to provide the document(s) HHA will help the participant request a benefit verification letter from SSA's website at **www.ssa.gov** or ask the family to request one from the SSA (see **Income from Fixed Sources**).

7.7.4 Income from Fixed Sources

For MTW households, verification documents for fixed income sources will be valid for the full calendar year in which the income is effective (see **Alternative Verification Requirements**).

7.7.5 Child Support and Alimony

If the family declares that it receives child support or alimony payments, whether regular or irregular, HHA will require third-party verification from the enforcement agency or support provider.

7.7.1 Income from Retirement Accounts

HHA will accept a document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.

7.7.2 Student Financial Assistance

See **Verification of Student Financial Assistance and Fees** in the section under **Student Status Verification**.

7.7.3 Non-Recurring Income

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. HHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. However, HHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7.7.4 Income from Excluded Sources

For fully excluded income (see **Annual Income Exclusions**), HHA is not required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. HHA will accept the family's self-certification as verification of fully excluded income. HHA may request additional documentation if necessary to document the income source. However, HHA may require verification where there is a doubt that a source of income qualifies for full exclusion.

Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance). HHA will verify the source and amount of partially excluded income.

7.7.5 Zero Income Household

Families claiming no annual income will be required to execute verification forms to determine that certain forms of income outside the realm of EIV are not being received by the household. Receipt of Supplemental Nutrition Assistance Program (SNAP)/food stamp benefits is not considered income for the purposes of zero income verification; families receiving SNAP with no other income will be required to verify zero income status as described in this section.

Any payments paid on behalf of the family and other cash or non-cash contributions provided on a recurring basis may be counted as income depending on the duration and circumstances.

Zero Income Verification Requirements

HHA may check EIV, UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, Social Security, SSI, and earnings are not being received by families claiming to have zero annual income.

HHA will also require the head of household to complete an Affidavit of Zero Income form.

7.8 VERIFICATION OF ASSETS

Pre-HOTMA Final Rule (Sections 102 and 104) Implementation:

- **MTW households:**

MTW Policy

MTW Waiver: 3.d. – Self-Certification of Assets

Approval Date: FY 2022

Applicable to: All MTW-assisted households

Description: Applicants and existing participants may self-certify asset value and income when the market value of the household's assets is $50,000 or below.

When the market value of the asset is greater than $50,000, HHA will verify the market value of the asset using the verification hierarchy. Each household will be required to complete one asset self-certification at admission and at each regular recertification. Third-party verification of assets every three years is not required.

- **Non-MTW households:** HHA will verify the value and income from assets using the applicable verification hierarchy.

Post-HOTMA Final Rule (Sections 102 and 104) Implementation:

See the definition of *net family assets* in **GLOSSARY OF TERMS AND DEFINITIONS**.

Upon implementation of HOTMA, see **Asset Restrictions** for policies under which a household may be disqualified from admission or continued occupancy due to assets.

- **MTW households:**

MTW Policy

MTW Waiver: 3.d. – Self-Certification of Assets

Approval Date: FY 2022

Applicable to: All MTW-assisted households

Description: Applicants and existing participants may self-certify asset value and income when the market value of the household's assets is $50,000 or below.

When the market value of the asset is greater than $50,000, HHA will verify the market value of the asset using the verification hierarchy. Each household will be required to complete one asset self-certification at admission and at each regular recertification. Third-party verification of assets every three years is not required.

- **Non-MTW households:** Upon implementation of HOTMA, and subject to applicable HUD guidance, the following asset policies will apply:
    - For net family assets under $50,000:
        - HHA may accept self-certification from the family that the assets are under that amount, and no further documentation is required to be collected.
        - The certification must include any expected income from the assets (actual returns only).
        - HHA must obtain third-party verification of assets every 3 years.

- For net family assets totaling $50,000 or greater: HHA will verify the value and income from assets using the applicable verification hierarchy.
- When verification of assets is required, HHA will obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

7.8.1 Assets Disposed of for Less than Fair Market Value

For assets disposed at less than fair market value in the two years preceding the effective date of admission or the certification, HHA will accept a self-certification from the household including a certification regarding the assets disposed, the date of disposition and the amount received for the asset.

7.8.2 Real Property Ownership

Note: the following is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

Both at admission and reexamination, HHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. HHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If the family declares they have a present ownership in real property, HHA will obtain third-party verification of the following factors:

1. Whether the family has the legal right to reside in the property;
2. Whether the family has effective legal authority to sell the property; and
3. Whether the property is suitable for occupancy by the family as a residence.

However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, HHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7.8.1 Federal Tax Refunds or Refundable Tax Credits

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

HHA will verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than $50,000. HHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7.9 VERIFICATION OF MANDATORY DEDUCTIONS

Policies in this section cover verification of mandatory deductions. See **Adjusted Income** for more information on deductions for the purposes of calculating income and rent.

7.9.1 Dependent and Elderly/Disabled Household Deductions

HHA will verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. See definitions of **Dependent**, **Elderly Family**, and/or **Disabled Family**. No further verification is required.

7.9.2 Medical Expenses

Unreimbursed medical expenses will be verified through written third-party documents provided by the family, such as pharmacy printouts or receipts, or written third-party forms if the family is unable to provide acceptable documentation.

The HHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The HHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

In addition, HHA will verify that:

1. The household is eligible for the deduction;
2. The costs to be deducted are qualified medical expenses;
3. The expenses are not paid for or reimbursed by any other source; and
4. Costs incurred in past years are counted only once.

The family may be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

When anticipated costs are related to ongoing payment of medical bills incurred in past years, the HHA will verify:

1. The anticipated repayment schedule;
2. The amounts paid in the past, and
3. Whether the amounts to be repaid have been deducted from the family's annual income in past years.

7.9.3 Disability Assistance Expenses

HHA will verify that the family is eligible to deduct unreimbursed disability assistance expenses. HHA will allow a family to deduct unreimbursed disability assistance expenses after verifying that:

1. The family member for whom the expense is incurred is a person with disabilities;
2. The expense permits a family member, or members, to work;
3. The expense is not reimbursed from another source.

Attendant Care

Expenses for attendant care will be verified through:

1. Written third-party documents provided by the family, such as receipts or cancelled checks.

2. Third-party verification form signed by the provider, if family-provided documents are not available.
3. If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

1. Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
2. Third-party verification form signed by the provider, if family-provided documents are not available.
3. If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

7.9.4 Childcare Expenses

In order to determine whether a household is eligible to deducted unreimbursed childcare expenses HHA will verify that:

1. The child is under 13 years of age;
2. The costs claimed are not reimbursed;
3. The costs enable a family member to pursue an eligible activity;
4. The costs are for an allowable type of childcare; and
5. The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. HHA will verify that the child being cared for (including foster children) is under the age of 13.

Unreimbursed Expense

The family (and/or the care provider) will be required to certify that the childcare expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

HHA will verify that the deduction of the unreimbursed childcare expenses enable a family member(s) pursue education, seek work, or be gainfully employed.

1. **Furthering Education:** HHA will request third-party documentation to verify that the person permitted to further his or her education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

2. **Gainful Employment:** HHA will obtain third-party verification of the employment of the person who is permitted to work by the childcare. As needed, HHA may require verification of the work schedule of the person permitted to work by the childcare. The documentation may be provided by the family.
3. **Seeking Work:** If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by HHA.

HHA will evaluate how the schedule for the claimed activity relates to the hours of care provided and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Allowable Type of Childcare

HHA will verify that the type of childcare selected by the family is allowable (see **Eligible and Ineligible Childcare Expenses**).

HHA will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

HHA will verify that the childcare provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted. The actual costs the family incurs will be evaluated by HHA for reasonableness to ensure that the costs are allowable.

If the family presents a justification for costs that exceed typical costs in the area, HHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

7.9.5 Live-In Aide

Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request—subject to HHA verification—at each regular reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is:

1. Determined to be essential to the care and well-being of the person(s) needing the care,
2. Not obligated for the support of the person(s) needing the care, and
3. Would not be living in the unit except to provide the necessary supportive services.

CHAPTER 8: INCOME AND ADJUSTED INCOME

8.1 OVERVIEW

A family's income determines eligibility for assistance and is also used to calculate the family's rent payment. HHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under this policy. Once annual income has been established, HHA will subtract from annual income deductions for which a family qualifies in order to determine adjusted income and calculate total tenant payment (TTP). Then, HHA will consider the utility allowance, approved rent, payment standard, and all other relevant factors for determining HHA subsidy and required family payment.

8.2 ANNUAL INCOME

Annual income includes:

- All amounts, not specifically excluded (as listed in **Annual Income Exclusions** and, as applicable, **Excluded Income – MTW Policy**);
- All amounts received from all sources by each member of the family who is 18 years of age or older or is the head of household, co-head or spouse of the head of household;
- Unearned income by or on behalf of each dependent who is under 18 years of age; and
- Upon implementation of HOTMA, imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds $50,000 (or the amount annually adjusted by HUD) and the actual returns from a given asset cannot be calculated (see **Asset Income**).

Generally, all income is included unless it is specifically excluded by regulation. However, while annual income includes *all amounts received*, that does not include the amount a family may be legally entitled to but did not receive (such as the amount court-ordered child support that is not received by the family).

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from the net family assets.

Further, annual income includes income from all family members, even if the family member is temporarily absent from the unit (see **Income of Temporarily Absent Family Members**).

8.2.1 Annual Income Exclusions

Income received by all family members must be included unless specifically excluded by the regulations or an approved MTW waiver. The head of household is responsible to report changes in family composition in accordance with HUD regulations and HHA policies. Some requirements concerning excluded income depend on the household member. The chart below summarizes how household composition affects income determinations.

Household Member Type	Income Excluded
Head, spouse, co-head and adult family members	All sources of income specifically excluded by the regulations
Minor family members	Earned income of children under the age of 18
Full-time students 18 years of age or older (who are not the head, co-head, or spouse)	Earned income in excess of the dependent deduction (however, see **Excluded Income – MTW Policy**)
Live-in aides	Income from all sources (earned and unearned)
Foster child/foster adult	Income from all sources (earned and unearned)

Annual income does not include the following:

1. Certain income from assets: see **General Calculation of Asset Income** section (policies differ for MTW vs. non-MTW households).
2. The following types of trust distributions:
    a. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
        i. Distributions of the principal or corpus of the trust; and
        ii. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
    b. For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
3. Earned income of children (including foster children) under the age of 18 years;
4. Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments;
5. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
6. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
7. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled;
8. Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively;

9. Any assistance that section 479B of the Higher Education Act of 1965, as amended, requires to be excluded from a family's income including Bureau of Indian Affairs/Education student assistance programs (see also **Student Financial Assistance**);
    a. If the amount of this excluded assistance equals or exceeds the amount of actual covered costs described under item 10 below, none of the assistance described below is excluded as income.
    b. If the amount of this excluded assistance is less than the amount of actual covered costs described under item 10 below, staff will exclude the lower of:
        i. The total amount of student financial assistance received under item 10, or
        ii. The amount by which the actual covered costs (as described below) exceed the assistance excluded under item 9.
10. Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit, and expressly for a student who is not the head of household or spouse. (See also **Student Financial Assistance**).
    a. *Student financial assistance* means a grant or scholarship received from:
        i. The federal government;
        ii. A state, tribal, or local government;
        iii. A private foundation registered as a nonprofit;
        iv. A business entity; or
        v. An institution of higher education.
    b. *Student financial assistance* does not include:
        i. Any assistance that section 479B of the Higher Education Act of 1965, as amended, requires to be excluded from a family's income (as noted above);
        ii. Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded);
        iii. Gifts, including gifts from family or friends; or
        iv. Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded, exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse,

the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

c. Student financial assistance must be:

   i. Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

   ii. Expressly to assist a student with the costs of higher education; or

   iii. Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

d. Student financial assistance may be paid directly to the student or to the educational institution on the student's behalf.

e. The student financial assistance exclusion applies to both part-time and full-time students.

11. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, *baby bond* accounts created, authorized, or funded by Federal, State, or local government.

12. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (see **Military Pay**);

13. Certain amounts received that are related to participation in the following programs:

    a. Amounts received under HUD-funded training programs (i.e., Step-up program: excludes stipends, wages, transportation payments, childcare vouchers for the duration of the training);

    b. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

    c. Amounts received by a client in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) to allow participation in a specific program;

    d. Amounts received under a client services stipend (not to exceed $200/month). A client service stipend is a modest amount received by a resident for performing a service for HHA or the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and client initiatives coordination; or

    e. Incremental earnings and/or benefits to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with the local government), and training of family members as client management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the

period during which the family member participates in the employment training program.

14. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
15. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611 and as referenced in the **Dependent Deduction** section of this Plan. Additionally, see MTW policy on **Excluded Income – MTW Policy**.
16. Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611 and as referenced in the **Dependent Deduction** section of this Plan. Additionally, see MTW policy on **Excluded Income – MTW Policy**.
17. Deferred periodic payments of Supplemental Security Income and Social Security benefits that are received in a lump sum payment or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (see also **Lump-Sum Payments for the Delayed Start of a Periodic Payment**);
18. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
19. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling apartment;
20. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit;
21. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car);
22. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law;
23. Amounts specifically excluded by any other federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. It includes:
    a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)); this exclusion also applies to assets;

b) Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C 5058) are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This exclusion also applies to assets;

c) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)); this exclusion also applies to assets;

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506); this exclusion also applies to assets;

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1));

f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6); this exclusion also applies to assets;

g) The first $2,000 of per capita shares received from judgment funds awarded by the National Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408); this exclusion also applies to assets;

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

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

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

k) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420 section 9(c)); this exclusion also applies to assets;

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

m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)); this exclusion also applies to assets;

n) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);

o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (Pub. L. 95-433 section 2); this exclusion also applies to assets;

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

q) Any allowance paid to children of Vietnam veterans born with spinal bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean and Thailand service veterans born with spinal bifida (38 U.S.C. 1821-22) is excluded from income and assets (38 U.S.C 1833(c));

r) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)); this exclusion also applies to assets;

s) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2));

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

u) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101-503 section 8(b)); this exclusion also applies to assets;

v) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in monthly prospective amounts (42 U.S.C. 1437a(b)(4));

w) Any amounts:

    i. not actually received by the family,

ii. that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and

iii. received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.);

x) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in case entitled, *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.) for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291 section 101(f)(2); this exclusion also applies to assets;

y) Any amounts in an *individual development account* are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income as provided by the Assets for Independence Act, as amended (42 U.S.C 604(h)(4));

z) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in Notice PIH 2013–1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);

aa) Federal assistance for a major disaster and emergency received by individuals under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as mended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)); this exclusion also applies to assets;

bb) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

cc) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.

24. Replacement housing gap payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent

and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing gap payments;

25. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:
    a. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
    b. Direct Federal or State payments intended for economic stimulus or recovery.
    c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
    d. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.
    e. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
    f. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
    g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
26. Civil rights settlements or judgments, including settlements or judgments for back pay;
27. Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family;
28. Income earned on amounts placed in a family's Family Self Sufficiency Account;
29. Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:
    a. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and
    b. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

Guaranteed Income Programs

See **Guaranteed Income Deduction** for more information on how income from Guaranteed Income programs should be treated for the purposes of calculating household income and rent.

8.2.2 Excluded Income – MTW Policy

MTW Policy

MTW Waiver: 1.w. - Alternative Income Inclusions/Exclusions

Approval Date: FY 2022

Applicable to: All MTW-assisted households

Description: In addition to HUD-mandated income exclusions, the following types of income will be excluded from the calculation of annual income:

1. **Full-Time Student Income:** HHA will exclude the full amount of adult, full-time student earned income (excluding the head of household, co-head or spouse). HHA will not verify adult full-time student earned income as 100% of the earned income is excluded.
2. **Adoption Assistance Payments:** HHA will exclude the full amount of adoption assistance payments. HHA will not verify adoption assistance payments as 100% of the income is excluded.

8.3 DETERMINING ANNUAL INCOME

8.3.1 Determining Income at Admission and Interims

At admission and for interim recertifications, HHA will use anticipated annual income (current/prospective income) for the upcoming 12-month period following the family's admission or interim recertification effective date.

When HHA cannot readily anticipate income based upon current circumstances, HHA may use actual income received or earned within the last 12 months of the admission or interim recertification effective date. A clear rationale for this determination will be documented in the file. However, the family may provide verification documenting why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

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

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases HHA will calculate annual income using current circumstances and then, should the change in income require HHA to conduct an interim reexamination, conduct an interim reexamination in accordance with HHA policy.

8.3.2 Determining Income at Regular Recertifications

Policies regarding the verification and calculation of income may differ according to whether the household is in the MTW Tiered Rent Treatment Group, Control group, or the Excluded group, or is a non-MTW household:

MTW Control and Excluded Groups, and non-MTW households

- **Prior to implementation of HOTMA:**
    - **Prospective Income:** HHA will generally determine annual income based on current/anticipated ("prospective") income. Generally, anticipated income is calculated by annualizing the income within the last two months of the retrospective period.
- **Upon implementation of HOTMA:**

Note: the following two bullet points are only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

    - **Retrospective Income:** Upon implementation of HOTMA, at each regular recertification for families in the Control and Excluded Groups and non-MTW households, HHA will determine the family's income for the previous 12-month period and use this amount as the family income; however, adjustments to reflect current income must be made.
    - Any change of income since the family's last regular reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with HHA policies and HUD regulations, will be considered. If there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rent. See **REEXAMINATIONS AND CONTINUED OCCUPANCY**.

MTW Tiered Rent Treatment Group

MTW Policy

MTW Waiver: 1.b. – Tiered Rent

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: At regular recertification, gross income is determined retrospectively:

- The retrospective period is the 12-month period ending 120 days before the recertification effective date.
- The retrospective period for recertifying households applies to the first recertification following study enrollment and for each subsequent triennial recertification.
- The period always begins on the first of the month and ends the last day of the month. The prior/retrospective period is fixed; it does not change or update after it is communicated with the household (even if the effective date is moved to accommodate a move at the first certification following enrollment).

- HHA will count all required types of income sources when determining retrospective income and will count the actual income amount received during the retrospective period. Income is not averaged and annualized.
- If income from any source began partway through the prior/retrospective period, use the actual amount received during the prior/retrospective period.
- Income from TANF, UI, SSI, SSDI, or court-ordered child support will not be included if it ends partway through the prior/retrospective period.
- If a household member earned income prior to age 18 during the prior/retrospective period it will not be included.
- If a household member is verified as a full-time student at the time of recertification:
  - Their earned income will not be included, and
  - They will retain their full-time student designation until the family's next triennial recertification.

8.4 Determining Certain Types of Income

8.4.1 Wages and Related Compensation

Except for where excluded under HHA's MTW policy (see **Excluded Income – MTW Policy**), the earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies.

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Seasonal and Day Laborer Income

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

To determine annual income for individuals who have seasonal or day labor income at admission and regular recertification, HHA will use past actual income received or earned within the last 12 months of the determination date. Therefore, interim reexaminations will not be completed when

circumstances change for family members with a pattern of seasonal income that is expected to continue.

Earned Income of Full-Time Students

For non-MTW households, earned income from verified full-time students (who are not the head, co-head or spouse) in excess of the dependent deduction is excluded.

For MTW households, the full amount of any earned income from verified full-time students (who are not the head, co-head or spouse) is excluded (see **Excluded Income – MTW Policy)**.

Earned Income of Minors, Live-in Aides, and Foster Children/Adults.

Earned income from minors, live-in aides, foster children, and foster adults is excluded from income. See **Annual Income Exclusions**.

Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are included as income except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

8.4.2 Self-Employment Income

Annual income includes net income from the operation of a business or profession.

- *Net income* is gross income minus business expenses that allows the business to operate.
- *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Net income does not include:

- Expenditures for business expansion;
    - *Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations;
- Amortization of capital indebtedness;
    - *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means HHA will allow as a business expense interest, but not principal, paid on capital indebtedness; or
- Depreciation of assets on an accelerated basis (depreciation of assets based on straight line depreciation is allowable).

However, any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family. Acceptable investments in a business include cash loans and contribution of assets or equipment. Investments do not include the value of labor contributed to the business without compensation.

If a family reports gross income from a business or self-employment income and does not claim and/or verify any expenses, HHA will attempt to verify the expenses but otherwise the gross income will be considered the net income.

Negative Business Income

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

Co-Owned Businesses

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

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business' assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

Note, however, that for determining whether the family has a present ownership interest in disqualifying real property, whether the family owns the real property through an LLC or in their own name is not decisive. If the family has a present ownership interest in real property and has a legal right to reside in it, the effective legal authority to sell it, and it is considered suitable for their occupancy as a residence, that ownership interest will be disqualifying per the **Asset Restrictions** (upon implementation of HOTMA). There may be circumstances where the family does not have the effective legal authority to sell the real property due to the structure of their business. Receipt of rental income itself is not a relevant deciding factor for asset limitation compliance, however.

Independent Contractors

Income received as an independent contractor is included in annual income as self-employment income, even if the source, date, or amount of the income varies. See the definition in the **GLOSSARY OF TERMS AND DEFINITIONS**.

8.4.3 Periodic Payments

Periodic payments are forms of income received on a regular basis. These will be included unless excluded under **Annual Income Exclusions**.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended. Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly

excluded from income under 25 CFR 5.609(b) as updated for HOTMA, and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

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

HHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

When a delayed-start payment is received that is to be included and the family and reports this during the period in which HHA is processing a regular recertification, HHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time HHA is processing a regular recertification, then HHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, HHA will conduct an interim in accordance with policies in this Plan. If not, HHA will consider the amount when processing the family's next annual recertification.

Retirement Income

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets. However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

Social Security and SSI

HHA is required to use the gross benefit amount to calculate annual income from Social Security benefits, including Supplemental Security Income (SSI).

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. Effective the day after the SSA has announced the COLA, HHA is required to factor in the COLA when determining Social Security and SSI annual income for regular recertifications of family income that have not yet been completed and will be effective January 1 or later of the upcoming year. The federal COLA does not apply to state-paid disability benefits.

When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, HHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income. However, when the SSA

overpays an individual, resulting in withholding or deduction from their benefit amount until the overpayment is paid in full, HHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Child Support and Alimony

HHA will include as annual income only those child support and/or alimony payments that are actually received by the family. If no payments have been made in the last 90 days, HHA will not include child support and/or alimony in annual income. Otherwise:

- At admission or interim recertification, HHA will include averaged and annualized payments (excluding lump sum payments) received over the last three full months, unless the family can verify that they expect to receive a different amount going forward.
- At regular recertification, HHA will calculate child support and/or alimony payments according to **Determining Income at Regular Recertifications**.

Public Assistance

Public (or welfare) assistance—including Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments—is included as annual income.

When a welfare agency imposes a sanction that reduces a resident family's TANF income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, HHA must include in annual income the *imputed* welfare income; however, this requirement does not apply to applicant households. HHA must request verification of the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction. This requirement does not apply to reductions in welfare benefits:

1. At the expiration of the lifetime or other time limit on the payment of welfare benefits,
2. If a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or
3. Because a family member has not complied with other welfare agency requirements.

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

Trusts

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

The following types of trust distributions are excluded from annual income:

- Distributions of the principal or corpus of the trust; and

- Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

See additional information in **Annual Income Exclusions** and **Trusts as Assets**.

Nonrecurring Income

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. See **Annual Income Exclusions**.

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming regular recertification period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

8.4.4 Student Financial Assistance

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students.

1. Title IV HEA Assistance: any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Examples of assistance under title IV of the HEA include:
    a. Federal Pell Grants;
    b. Teach Grants;
    c. Federal Work Study Programs;
    d. Federal Perkins Loans;
    e. Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or
    f. Bureau of Indian Affairs/Education student assistance programs
2. Other Student Financial Assistance: Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)].

HHA will verify tuition and fees according to its verification policies. See **Verification of Student Financial Assistance and Fees**. See **Annual Income Exclusions** for the portion of student financial assistance that is excluded. See also HUD's HOTMA Student Financial Assistance Resource Sheet.

HCV Limitation for Student Assistance in Excess of Covered Costs

Section 479B of the HEA requires that all assistance under Title IV of the HEA and Bureau of Indian Affairs student financial assistance, even assistance provided to students in excess of

tuition and required fees or charges, be excluded from HUD income calculations. However, HUD appropriations have typically included a provision that for Section 8 students who are age 23 and under or without dependent children any amounts received in excess of tuition and any other required fees and charges shall be considered income. This limitation has been interpreted to apply when the student is the head of household or spouse, but not when the student resides with parents in a Section 8 unit (71 FR 18146). For any funds from a year where HUD's appropriations acts include this limitation, it will apply with respect to Section 8 participants. HUD will notify PHAs if this requirement is removed from the appropriations act.

8.4.5 Income of Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit. See policies on **Temporarily and Permanently Absent Family Members** for definition of *Temporarily Absent*.

8.4.6 Earned Income Disallowance

HUD is discontinuing the Earned Income Disregard (EID). As a result, no new individuals may qualify for the EID after December 31, 2023. Any individual who has an EID as of December 31, 2023 may continue to use the EID—as described in this section—until it expires as of January 1, 2026.

Initial 12-Month Exclusion

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

Second 12-Month Exclusion

During the second 12-month exclusion period, HHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and HCV assistance, or have breaks in assistance. The EID will sunset on January 1, 2026. In no circumstances will a family member's exclusion period continue past January 1, 2026.

8.5 DETERMINING INCOME FROM ASSETS

Net family assets are the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

However, see the following for additional information:

- The full definition of *net family assets* in **GLOSSARY OF TERMS AND DEFINITIONS**;

- The section on **Exclusions from Assets** for what is not considered an asset; and
- Upon implementation of HOTMA: the section on **Asset Restrictions**, under which a household may be disqualified from admission or continued occupancy.

Under MTW, HHA uses market value in calculating assets. *Market value* is the face value of an asset, its worth in the market (i.e., the amount a buyer would pay for real estate or the total value of an investment account).

8.5.1 Necessary and Non-Necessary Property

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

Personal property may be necessary or non-necessary, which determines whether they are considered to be assets.

Necessary Property

The value of necessary items of personal property is excluded from the calculation of net family assets.

Necessary personal property are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. This may include:

- Personal effects (such as items that are ordinarily worn or utilized by the individual),
- Items that are convenient or useful to a reasonable existence (such as a car used for commuting),
- Items that support and facilitate daily life within the family's home.
- Items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability.

Non-Necessary Property

Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property, such as bank accounts, other financial investments, or luxury items. These items are considered assets for HUD purposes.

- The combined value of all non-necessary items of personal property is only included in annual income when the combined total value exceeds $50,000 (adjusted annually).
- When the combined value of all non-necessary personal property does not exceed $50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

Examples of Necessary vs. Non-Necessary Personal Property

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property:

Necessary Personal Property (Excluded from Net Family Assets)	Non-Necessary Personal Property (Included in Net Family Assets)
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies Religious and cultural items Medical equipment and supplies Health care–related supplies Musical instruments used by the family Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business Items such as gems/precious metals, antique cars, artwork, etc.

8.5.2 General Calculation of Asset Income

Pre-HOTMA Final Rule (Sections 102 and 104) Implementation:

- **MTW Households:**

> ***MTW Policy***
>
> **MTW Waiver**: 1.w. – Alternative Income Inclusions/Exclusions
>
> **Approval Date**: FY 2022
>
> **Applicable to**: All MTW-assisted households
>
> **Description**: HHA will exclude the income from assets where the market value of the household's combined assets is $50,000 or below.
>
> Where the market value of the asset is greater than $50,000, annual income shall include the greater of the actual income derived from all family assets or a percentage of the value of such assets based on the HUD-established passbook savings rate.

- **Non-MTW Households:**
    - When net family assets are $5,000 or less, HHA will include in annual income the actual income anticipated to be derived from the assets.
    - When the family has net family assets are in excess of $5,000, HHA will include in annual income the greater of:
        - The actual income derived from the assets, or
        - The imputed income.

      Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by HUD.

Post-HOTMA Final Rule (Sections 102 and 104) Implementation:

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets.

- **MTW Households:**

> ***MTW Policy***
>
> **MTW Waiver**: 1.w. – Alternative Income Inclusions/Exclusions
>
> **Approval Date**: FY 2022
>
> **Applicable to**: All MTW-assisted households
>
> **Description**: HHA will exclude the income from assets where the market value of the household's combined assets is $50,000 or below.
>
> Where the market value of the asset is greater than $50,000, annual income shall include the greater of the actual income derived from all family assets or a percentage of the value of such assets based on the HUD-established passbook savings rate.

- **Non-MTW households:**

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

  - Actual Income from Assets
    - Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.
    - Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.
    - HHA may not calculate or include any imputed income from assets when net family assets total $50,000 or less.
  - Imputed Income from Assets
    - If actual returns cannot be calculated, HHA must calculate imputed returns using the HUD-determined passbook rate. If HHA can compute actual income from some but not all assets, HHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated.
    - An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated, then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

8.5.3 Treatment of Specific Assets

Bank Accounts

HUD considers bank accounts—checking, savings, credit union accounts—as non-necessary items of personal property to be included as assets. HHA will use the current balance of each account in determining its market value.

Investment Accounts

HUD considers financial investments such as stocks, bonds, saving certificates, and money market funds non-necessary items of personal property to be included as assets. HHA will use the current balance of each account as listed on its most recent statement as its market value.

Lump-Sum Additions to Family Assets

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. While lump sum additions to family assets, such as lottery or contest winnings or **Lump-Sum Payments for the Delayed Start of a Periodic Payment**, or other nonrecurring lump sum payments are not considered assets, HHA must consider any imputed returns from assets as income (provided total family assets exceed $50,000) at the family's next regular recertification.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. HHA will use the policy's current surrender value as the market value of the asset.

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

Trusts as Assets

There are two types of **Trusts**Trusts, *revocable* and *irrevocable*.

Irrevocable trusts—which include special needs trusts—are not under the control of any member of the family or household are not included as assets. HHA will also not include as income and amounts earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- Revocable trusts under the control of the family or household (e.g., the grantor is a member of the assisted family or household) are considered assets and must be included in family assets. In this case, HHA will:
    - Exclude as income any distributions from the trust to the family;
    - Include all imputed income from the assets if the family's total assets exceed $50,000.
- Revocable trusts that are not under the control of the family are excluded from family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. For the revocable trust to be considered excluded from family assets, no family or household member may be the account's trustee.

ABLE Accounts

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs.

HHA will exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Luxury Items and Other Non-Necessary Personal Property

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

In determining the value of non-necessary personal property where the market value cannot be readily quantified (such as through a financial statement), HHA will use the family's estimate of the value. HHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

8.5.4 Jointly Owned Assets

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

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

See also **Co-Owned Businesses** and **Assets Owned by a Business Entity** in this chapter.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

8.5.5 Assets Disposed of for Less than Fair Market Value

HHA will include the value of any business or family assets disposed of by a family for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or recertification, as applicable, in excess of the consideration received for the asset. However, HHA will not include the value of assets disposed of for less than fair market value:

- Unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000;
- If they are disposed of as part of a separation or divorce settlement and the family receives important consideration not measurable in dollar terms; and/or
- When the disposition is the result of a foreclosure or bankruptcy sale.

See also **Assets Owned by a Business Entity**.

Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

8.5.6 Exclusions from Assets

The following are excluded from the calculation of net family assets:

1. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;
2. The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986;
3. The value of any qualified tuition program under section 529 of such Code;
4. The value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code,
5. Interests in Indian trust land;
6. Equity in a manufactured home where the family receives assistance under 24 CFR 982;
7. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR 982;
8. Family Self-Sufficiency Accounts;
9. The full amount of assets held in an irrevocable trust; and
10. The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.

And, upon implementation of HOTMA:

Note: the following bullets are only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

11. The value of necessary items of personal property;
12. The combined value of all non-necessary items of personal property if the combined total value does not exceed $50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
13. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;
14. The value of any *baby bond* account created, authorized, or funded by Federal, State, or local government.

15. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; and

16. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

8.6 ADJUSTED INCOME

Adjusted income is calculated by subtracting allowable deductions and allowances from annual income.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: For families in the Treatment group, there are no deductions for the following:

- Dependents;
- Elderly/Disabled Family;
- Medical Expenses;
- Disability Assistance Expenses; or
- Childcare Expenses. However, a family in the Treatment group may request a hardship for childcare expenses. See **Childcare Expense Hardship**.

8.6.1 Dependent Deduction

An allowance is deducted from annual income for each dependent, which is defined as any family member other than the head, spouse, or co-head who is:

- Under the age of 18,
- 18 or older and is a person with disabilities, or
- 18 or older and a full-time student.

Foster children, foster adults, and live-in aides are never considered dependents.

The amount of the deduction is currently $480. Upon implementation of HOTMA and subject to applicable HUD guidance, this amount will be adjusted annually by HUD, rounded to the next lowest multiple of $25.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: There is no dependent deduction for families in the Treatment group.

8.6.2 Elderly or Disabled Family Deduction

A single deduction is taken for any elderly or disabled family. An elderly family is a family whose head, spouse, co-head, or sole member is 62 years of age or older. A disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities.

The amount of the deduction is currently $400. Upon implementation of HOTMA and subject to applicable HUD guidance, this amount will be increased to $525 and will be adjusted annually by HUD, rounded to the next lowest multiple of $25.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: There is no elderly/disabled deduction for families in the Treatment group.

8.6.3 Health and Medical Care Expense Deduction

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

The threshold is currently set at three (3) percent of annual income. Upon implementation of HOTMA and subject to applicable HUD guidance, this amount will be increased to 10 percent of annual income.

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

Medical expenses include unreimbursed expenses for:

- Any costs incurred in the diagnosis, cure, mitigation, treatment or prevention of disease;
- Payment for treatments affecting any structure of function of the body; and
- Medical insurance and long-term care premiums that are paid or are anticipated to be paid for the applicable period.

The most current IRS Publication 502, Medical and Dental Expenses, will be used as a guide to determine the costs that qualify as medical expenses. Over-the-counter products will not be eligible for deductions as medical expenses unless they are accompanied by a doctor's prescription.

To be considered by HHA for the purpose of determining a deduction from income, the expenses claimed must be unreimbursed and verified as allowable and for the benefit of a family member.

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

See **Health and Medical Care and Disability Assistance Expenses** in the **HARDSHIP POLICIES** chapter for information about hardship exemptions.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: There is no health and medical care expense deduction for families in the Treatment group.

8.6.4 Disability Assistance Expenses Deduction

Reasonable, unreimbursed expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

- Are necessary to enable a family member 18 years or older to work;
- Are not paid to a family member or reimbursed by an outside source;
- In combination with any medical expenses, exceed the HUD-established percent of annual income threshold; and
- Do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

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

The disability expense deduction is capped by the amount of earned income received by family members who are 18 years of age or older and who are able to work because of the expense. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

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

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

Eligible Auxiliary Apparatus

Auxiliary apparatus items to allow an adult family member to work may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type, or special equipment to assist a person who is deaf or hard of hearing.

Eligible Attendant Care

The family identifies and HHA verifies the type of attendant care that is appropriate for the person with disabilities. Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.

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

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

Disability Expense Payments to Family Members

No disability expenses may be deducted for payments to a member of a client family. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

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

See **Health and Medical Care and Disability Assistance Expenses** in the **HARDSHIP POLICIES** chapter for information about hardship exemptions.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: There is no disability assistance expense deduction for families in the Treatment group.

8.6.5 Childcare Expense Deduction

A family may receive a deduction of amounts to be paid by the family for the care of children (including foster children) under 13 years of age for the period for which annual income is computed, but only when such care is necessary to enable a family member to be gainfully employed, seek employment, or to further his/her education.

Amounts deducted must be unreimbursed expenses. The deduction will include the total unreimbursed childcare expense; however, the amount deducted may not exceed:

- The amount of income earned by the family member released to work; or
- An amount determined to be reasonable by HHA when the expense is incurred to permit education.

Eligible and Ineligible Childcare Expenses

The type of care to be provided is determined by the assisted family. Allowable expenses may also include those incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) and/or payments for childcare to relatives who do not live in the unit. HHA will not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide child care

Childcare expenses do **not** include:

- Child support payments made to another on behalf of a minor who is not living in an assisted family's household;
- For school-age children, costs attributable to public or private school activities during standard school hours;
- The costs of general housekeeping and personal services; and/or
- Expenses paid to a family member who lives in the family's unit.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, HHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

See **Childcare Expense Hardship** in the **HARDSHIP POLICIES** chapter for information about hardship exemptions related to child care.

MTW Policy

MTW Waiver: 1.s. – Elimination of Deductions

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: Child care expense deductions apply, only as a hardship, for families in the Treatment group.

See **Childcare Expense Hardship** and **Increase in TTP at Enrollment Due to Loss of Childcare Expense Deduction** in the **MTW Hardships** section.

8.6.6 Guaranteed Income Deduction

HHA has established a permissive deduction for payments received by families participating in guaranteed income programs (such as the Harris County UpLift Program, a guaranteed income pilot program that allows participating households to receive direct cash payments monthly for up to 18 months).

The deduction will be equal to the amount received by the family under the program, such that it offsets the payments received by the family.

This policy will apply to all assisted households, including households in the MTW Tiered Rent Treatment, MTW Control, and MTW Excluded groups, as well as non-MTW households.

CHAPTER 9: TENANT RENT & SUBSIDY DETERMINATION

9.1 OVERVIEW

This chapter contains policies related to tenant rent and subsidy determinations for the HCV program. Subsidy and rent are determined according to whether a household is in the MTW Tiered Rent Treatment, MTW Control, or MTW Excluded Group, or is a non-MTW household (i.e. VASH, EHV, Mainstream, Mod Rehab, etc.).

1. **MTW Control & Excluded Groups, and Non-MTW Households:** tenant rent and subsidy determinations are largely determined based on HCV program regulations; however, there are some instances where MTW waivers may be applied and which are identified in this chapter.
2. **MTW Tiered Rent Treatment Group:** HHA has received HUD approval to implement a Flat Tiered Rent model which reflects MTW waivers regarding income, adjusted income and rent.

9.2 TOTAL TENANT PAYMENT (TTP): MTW CONTROL AND EXCLUDED GROUPS, AND NON-MTW HOUSEHOLDS

Once annual adjusted income has been established, HHA will calculate the Total Tenant Payment (TTP) for the household. TTP is not the same thing as the tenant rent to the owner; however, it may be the same as the tenant rent to owner in some cases.

For households in the MTW Control and Excluded groups, as well as non-MTW households, TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income,
- 10 percent of the family's monthly gross income,
- The minimum rent established by HHA. See **Minimum Rent** below.

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

9.2.1 Minimum Rent

HHA has established a minimum rent of $50 per month. See **Minimum Rent Hardship**.

9.3 TOTAL TENANT PAYMENT (TTP): MTW TIERED RENT TREATMENT GROUP

Once annual income has been established, HHA will calculate the Total Tenant Payment (TTP) for the household. TTP is not the same thing as the tenant rent to the owner; however, it may be the same as the tenant rent to owner in some cases.

For households in the MTW Tiered Rent Treatment Group, TTP is based on a HUD-approved Tiered Flat Rent model.

9.3.1 Tiered Rent

MTW Policy

MTW Waiver: 1.b. – Tiered Rent (HCV)

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: The flat tiered rent model is based on gross household income with no deductions (except where hardship applies) that establishes a single rent for each $2,000 income tier.

Excepting the two lowest income tiers, the rent level for each tier is based on 28% of gross income as calculated at the lowest end of the tier. For the two lowest income tiers, a minimum rent of $50 has been established. Tiered rents are capped when TTP equals the gross rent of the unit. Utility allowances continue to apply, and households receive a utility reimbursement if applicable.

Recertifications occur every three (3) years. Income increases between regular recertifications will not result in rent increases. If household income decreases between regular recertifications, resulting in household income dropping to a lower tier, the household may request a hardship and have their rent be recalculated based on the lower tier, subject to the household meeting the requirements specified in the **MTW Hardships** section.

See the **MOVING TO WORK (MTW) PROGRAM AND POLICIES** chapter of this Plan for more information about policies that apply to the MTW Tiered Rent Treatment Group.

9.3.2 Transition to the Tiered Rent Model

Beginning in 2023, current and newly admitted non-elderly, non-disabled households who are not excluded from the evaluation will be randomly assigned to either a treatment or control group. The initial enrollment period will last for 12 months. During the initial enrollment period, non-excluded, new admission households will be randomly selected to either the Treatment or Control group. After the initial enrollment period is over, all non-excluded, new admissions will be part of the Treatment group.

9.3.3 Total Tenant Payment (TTP)

For the Treatment Group, TTP is determined differently according to whether the family is a new admission or existing participant.

- For new admissions: the tiered rent policy is based on current gross income with no deductions or allowances and establishes a single TTP for each $2,000 income tier.
- For existing participants: HHA's tiered rent policy is based on retrospective gross household income with no deductions or allowances (except where hardship applies).

Except for the two lowest income tiers which reflect the minimum rent, for both new admissions and existing participants, TTP is set at 28% of the low end of the tier. See **APPENDIX D: TIERED RENT TABLE**.

Under the tiered rent model, interim recertifications are not completed. However, under certain circumstances, households may request a hardship TTP/rent (see **HARDSHIP POLICIES**). Income increases between regular recertifications will not result in rent increases.

9.3.4 Minimum Rent

HHA has established a minimum rent of $50 per month for families in all groups. See **Minimum Rent Hardship** for when a family cannot pay the minimum rent because of a hardship.

9.4 TENANT RENT & SUBSIDY DETERMINATION: ALL HOUSEHOLDS/PROGRAM TYPES

Once the TTP has been established, HHA will calculate the HHA Housing Assistance Payment (HAP), the tenant rent, and utility reimbursement, if applicable. The following sections apply to all households, regardless of their program type or MTW group.

9.4.1 Family Share

The family share is the family's contribution toward the gross rent.

For a family selecting a unit where the gross rent is at or below the payment standard for the family, the family share will be the same as the TTP.

For a family selecting a unit where the gross rent exceeds the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.

9.4.2 Maximum Initial Rent Burden

At initial occupancy and upon transfer to a new unit, HHA will not approve the tenancy if the gross rent is above the payment standard resulting in a family share that exceeds the maximum initial rent burden, which is 40 percent of adjusted monthly income, even if the rent is reasonable.

HHA may approve a unit if the gross rent is above the payment standard, but does not result in a tenant portion that exceeds the 40 percent of monthly adjusted income.

9.4.3 HHA Subsidy/Housing Assistance Payment (HAP)

HHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of:

- The applicable payment standard for the family minus the family's TTP, or
- The gross rent for the family's unit minus the TTP.

9.4.4 Prorated Assistance for Mixed Families

A *mixed household* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible household members. HHA will prorate the assistance provided to a mixed household. HHA will first determine assistance as if all household members were eligible and then prorate the assistance according to the regulatory requirement at 24 CFR 5.520.

9.4.5 Tenant Rent to Owner

Rent to owner is the greater of:

- The Payment Standard less the HAP; or.
- The Gross Rent less the HAP.

9.4.6 Utility Reimbursement

If the amount of the utility allowance exceeds the total tenant payment, HHA may pay the amount of such excess to either to the family or directly to the utility provider and may change whether the payment is made to the family or to the utility provider at HHA's discretion. The HHA will issue all utility reimbursements monthly.

CHAPTER 10: HARDSHIP POLICIES

10.1 OVERVIEW

HHA has developed conditions-based hardship policies as described below to address and mitigate financial hardships which may occur at enrollment or at any time during the tenancy or program participation. In cases involving hardship, HHA will work with families to connect them to economic self-sufficiency programs to address the conditions which have caused applicable hardships.

The table below identifies HHA's hardship policies by topic and applicable group.

	Hardship Policy	Applicable To
General	• **Minimum Rent Hardship**	All HCV Households: MTW (All Groups) and Non-MTW households
HOTMA	• **Health and Medical Care Expense and/or Disability Expense Hardship**	MTW Control and Excluded groups, and Non-MTW households
	• **Childcare Expense Hardship**	MTW Control and Excluded groups, and Non-MTW households
MTW	• **Alternative Verification Hierarchy**	All MTW Groups: Treatment, Control, and Excluded

	• **Hardships at Enrollment**
	  ○ Decrease in Income
	  ○ Increase in TTP Due to Loss of Child Care Expense Deduction
	• **Reduction in Income Hardship**
	• **Childcare Expense Hardship**
	• **Full-Time Student Hardship**
	• **Small Area Fair Market Rent (SAFMR) Hardship**
	• **Other Hardship**
		MTW Tiered Rent Treatment Group Only

10.2 MINIMUM RENT HARDSHIP

Applicable to: All program households

HHA may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of a financial hardship. The minimum rent hardship policy applies to households who are required to pay the minimum rent. If a household's TTP is higher than the minimum rent, the household is not eligible for a minimum rent hardship exemption.

10.2.1 Defined Financial Hardships

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program.
    a. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
    b. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:
        i. Implementation of assistance, if approved, or
        ii. The decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
2. The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.
3. Family income has decreased because of changed family circumstances, including the loss of employment.
4. A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

10.2.2 Determination of Financial Hardship from Minimum Rent

When a family requests a financial hardship exemption, HHA will suspend the minimum rent requirement beginning the first of the month following the family's request. HHA will then determine whether the financial hardship exists and whether the hardship is temporary or long-term.

HHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family will be required to pay the higher of:

- 30% of their monthly adjusted income, or
- 10% of their monthly gross income.

No Financial Hardship

If HHA determines there is no financial hardship, HHA will reinstate the minimum rent and require the family to repay the amounts suspended within 30 calendar days of HHA's notice that a hardship exemption has not been granted.

Temporary Hardship

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

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

HHA will enter into a tenant payment agreement in accordance with the policies in this plan.

Long-Term Hardship

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

The hardship is deemed to be discontinued when the family's TTP is greater than the minimum rent.

Families on approved hardships from minimum rent are required to report all increases in income and/or decreases in unreimbursed expenses, where applicable, within 15 calendar days from the date of occurrence.

10.3 HEALTH AND MEDICAL CARE AND DISABILITY ASSISTANCE EXPENSES

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

Applicable to: MTW Control and Excluded Groups, and Non-MTW Households

Families in the MTW Control and Excluded groups and non-MTW households may request hardships related to health and medical care expenses and/or disability assistance expenses. There are two categories of hardship for this:

1. **Category #1** is for households receiving a medical expense deduction upon implementation of HOTMA and subject to applicable HUD guidance.

    a. Hardships for this category will be applied automatically to each household receiving a medical and/or disability expense deduction as of the most recent income review upon implementation of HOTMA and where that deduction exceeds 5 percent of the family's annual income. No request for the hardship is required.

    b. For families that are eligible for this category, the following phased-in relief may be offered if the hardship is granted:

        i. For the first year, a deduction of eligible expenses that exceed 5 percent of the family's annual income;

ii. For the second year, a deduction of the eligible expenses that exceed 7.5 percent of the family's annual income; and

iii. For the third year, a deduction of the eligible expenses that exceed 10 percent of the family's annual income, unless the family qualifies for a new exemption under the second hardship category.

c. The hardship will remain in place for two consecutive years unless the family receives a hardship exemption under Category #2 below. If the family receives a hardship under the second category, they may no longer receive relief under Category #1. Households may not receive a second hardship under Category #1.

d. This is a transitional category that will phase out.

2. **Category #2** is for qualifying hardships that would not otherwise trigger a reexamination.

a. A family may qualify for the second category of hardship exemption for health and medical care expenses and/or disability assistance expenses at any time if they can demonstrate that the family's applicable health and medical care expenses or reasonable attendant care or auxiliary apparatus expenses increase or the family's financial hardship is a result of a change in circumstances (as defined by HHA) that would not otherwise trigger an interim reexamination. This relief may be given to a family regardless of whether they received (or are currently receiving) relief under the first hardship category.

b. Category #2 hardship requests must be made by the participant in writing.

c. If approved for the hardship, under this category, the family will receive a deduction of eligible expenses that exceed 5 percent of the family's annual income until the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever is earlier. HHA, at its discretion, may extend this relief for one additional 90-day period while the family's hardship continues.

10.4 CHILDCARE EXPENSE HARDSHIP

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following does not apply.

Applicable to: MTW Control and Excluded Groups, and Non-MTW Households

When a family in the Control or Excluded group or a non-MTW household demonstrates to HHA's satisfaction that they are unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed, seeking work, or furthering their education, HHA will grant a hardship to allow the child care expense to continue for a limited time.

- A hardship due to an inability to pay rent as a result of the loss of childcare deductions must be requested, in writing, by the household.
- For the purposes of this hardship, HHA will define a family's inability to pay their rent where their total unreimbursed child care expenses is at least $2,000/year.

- Relief for an approved hardship exemption includes a continuation of the childcare deduction for a period of up to 90 days. HHA, at its discretion, may extend the hardship exemption for one additional 90-day period based on family circumstances.

10.5 MTW HARDSHIPS

HHA's general MTW hardship policies are outlined below:

1. HHA will review its hardship policies with families during its intake and recertification process and will consider if a household qualifies for a hardship exemption at the time of a potential termination of assistance that is due to an MTW activity.
2. There is no limit to the number of hardships that a household may receive.
3. If a household is approved for a hardship, and subsequently experiences another adverse event while still in hardship status, they may request an additional hardship that might further reduce their TTP.
4. If a household is approved for a hardship, they are not required to report subsequent income increases during the period of their approved hardship.
5. If a household is approved for a temporary hardship, when that hardship is scheduled to expire the household will be notified and may request an extension. When a hardship expires, the household will return to paying the tiered rent assigned according to their prior/retrospective gross income at their last triennial income examination.
6. If the head of household, spouse, or co-head of household becomes elderly or disabled, the household is eligible to be excluded from the tiered rent and return to the traditional income-based rent policy.
7. This hardship policy presents eligibility criteria and remedies for different types of hardships. The different types of hardships below are not mutually exclusive. If a household's circumstances correspond to more than one type of hardship, they will receive the hardship most beneficial to them.

10.5.1 Hardship Process

All MTW households who request a hardship will be subject to the hardship process outlined below:

1. When a household makes a written request for a hardship exemption, HHA will suspend the MTW or applicable activity on the first day of the next month after the hardship request is received.
2. HHA will approve a provisional hardship TTP beginning the first day of the next month after the receipt of a valid hardship request indicating qualifying circumstances.
3. The provisional hardship TTP will be based on the tier corresponding to the household's current gross income, reported by the household in their hardship request.
4. The household will be required to provide the required documentation within 15 calendar days to enable HHA to verify the hardship.

5. HHA will decide whether to grant the hardship timely. If the hardship request is denied, the household may be required to enter into a tenant payment agreement.

6. If the household is not eligible for the requested hardship (see above table), the request will be administratively closed without right to appeal.

7. HHA will retain records of all MTW hardship requests received and the results of these requests and supply them at HUD's request. HHA will retain this information for the duration of the Agency's participation in the MTW demonstration program and make such information available for public review and inspection at HHA's principal office during normal business hours.

8. If a financial hardship request is denied, HHA will provide the household with an opportunity to request a grievance hearing for a second level review of the denied hardship request. Such a request must be made within 15 calendar days from the date on the denial.

9. Except where stated, generally, approved hardship rents related to MTW will remain in place for a 12-month period at which time the household must reapply for hardship. If the household does not reapply or is not approved for a continued hardship, the rent will revert back to the pre-hardship tiered rent. Where a hardship request is granted and the triennial recertification occurs prior to the end of the 12-month hardship period, the hardship will automatically end at the triennial recertification. The household may reapply for hardship at the triennial recertification.

10.5.2 Alternative Verification Hierarchy Hardship

Applicable to: All MTW program households

If a household does not agree with an income and rent determination which may be predicated upon the use of third-party documents and tenant declarations outside of the HUD standard verification hierarchy, the household may request an informal hearing as a second level of review of HHA's determinations. HHA will follow its existing policies upon receipt of the household's request for an informal hearing.

10.5.3 Hardships at Enrollment

Applicable to: MTW Tiered Rent Treatment Group only

Decrease in Income at Enrollment

For households in the MTW Tiered Rent Treatment Group already receiving assistance, HHA conducts an income examination at the time of enrollment in the tiered rent treatment group. HHA will compare the household's current/anticipated gross income with their prior/retrospective gross income. If the household's current/anticipated gross income puts them in a lower income tier than their prior/retrospective gross income, HHA will automatically determine whether the household is eligible for a hardship exemption.

- A household will be eligible for this hardship exemption if the household's current/anticipated gross income puts them in a lower income tier than their prior/retrospective gross income.

- Hardship requests do not need to be made at enrollment. HHA will automatically determine if a hardship, due to a decrease in income exists.
- If a hardship exists, the hardship TTP will be the TTP in the income tier for the current/anticipated gross income.
- The hardship will remain in place for a 12-month period.
- At the end of that 12-month period, the household may reapply for an extended hardship TTP.
- If the household does not reapply for the hardship or is not approved for an extended hardship, the tiered rent will revert back to the pre-hardship tiered rent TTP.

Increase in TTP at Enrollment Due to Loss of Childcare Expense Deduction

Some families in the Treatment group may face a hardship due to the tiered rent policy's reliance on gross income (with no deductions) instead of adjusted income.

For households already receiving assistance, HHA conducts an income examination at the time of enrollment into the tiered rent treatment group. Where a household's total unreimbursed childcare expenses is at least $2,000/year, HHA will allow the full deduction of reasonable unreimbursed child care expenses and apply the tiered TTP that corresponds to their current/anticipated adjusted annual income.

- A household will be eligible for this hardship exemption if the household's total unreimbursed childcare expenses are at least $2,000/year.
- Hardship requests do not need to be made at enrollment. HHA will automatically determine if a hardship, due to an increase in TTP as a result of the loss of child care deductions, exists.
- If a hardship exists, the hardship TTP will be set using the income band that applies to the household's current/anticipated adjusted annual income, taking into account the full allowable child care expense deduction.
- The hardship will remain in place for a 12-month period.
- At the end of that 12-month period, the household may reapply for an extended hardship TTP. For continued childcare hardship eligibility, during the 12-month hardship period, the household must apply for childcare assistance provided by local private/public partners. In the event childcare assistance is denied for reasons beyond failure to apply or lack of participation and the household remains eligible to deduct childcare expenses, HHA will extend the hardship for an additional 12-month period. Written evidence of the household application and related written response is required for HHA to make a determination on extending the childcare hardship.
- If the household does not reapply for the hardship or is not approved for an extended hardship, the tiered rent will revert back to the pre-hardship tiered rent TTP.

10.5.4 Reduction in Income Hardship

Applicable to: MTW Tiered Rent Treatment Group only

To qualify for a hardship rent, a household's current/anticipated income must result in a tiered rent TTP which is at least one income tier lower from the pre-hardship tiered rent TTP.

- A household will be eligible for this hardship exemption if the household's current/anticipated income results in a tiered rent TTP which is at least one income tier lower than the pre-hardship tiered rent TTP.
- A hardship due to a decrease in income must be requested, in writing, by the household.
- If a hardship exists, the hardship TTP will be the TTP in the income tier for the current/anticipated gross income.
- The hardship will remain in place for a 12-month period.
- At the end of that 12-month period, the household may reapply for an extended hardship TTP.
- If the household does not reapply for the hardship or is not approved for an extended hardship, the tiered rent will revert back to the pre-hardship tiered rent TTP.

10.5.5 Childcare Expense Hardship

Applicable to: All MTW program households

For families in the Treatment group, HHA will grant a childcare expense hardship rent to households with verified, unreimbursed child care expenses. Where a household's total unreimbursed childcare expenses are $2,000 or more, HHA will allow the full deduction of reasonable unreimbursed child care expenses and apply the tiered TTP that corresponds to their current/anticipated adjusted annual income. Regulatory caps on childcare expenses will apply, i.e., cannot be more than the income earned and must be reasonable.

- A household will be eligible for this hardship exemption if the household's total unreimbursed childcare expenses are at least $2,000/year.
- A hardship due to an increase in TTP as a result of the loss of childcare deductions must be requested, in writing, by the household.
- If a hardship exists, the hardship TTP will be set using the income band that applies to the household's current/anticipated adjusted annual income, taking into account the full allowable childcare expense deduction.
- The hardship will remain in place for a 12-month period.
- At the end of that 12-month period, the household may reapply for an extended hardship TTP. For continued childcare hardship eligibility, during the 12-month hardship period, the household must apply for childcare assistance provided by local private/public partners. In the event childcare assistance is denied for reasons beyond failure to apply or lack of participation and the household remains eligible to deduct childcare expenses, HHA will extend the hardship for an additional 12-month period. Written evidence of the household

application and related written response is required for HHA to make a determination on extending the childcare hardship.

- If the household does not reapply for the hardship or is not approved for an extended hardship, the tiered rent will revert back to the pre-hardship tiered rent TTP.

10.5.6 Full-Time Student Hardship

Applicable to: MTW Tiered Rent Treatment Group only

HHA will grant a full-time student status hardship rent, to a household in the Treatment group, if a family member, other than the head of household, co-head or spouse, has earned income and, subsequent to enrollment, becomes a full-time student and would experience a decrease in income as a result of the full-time student income exclusion. Upon verification of full-time student status, HHA will allow the entire exclusion of full-time student earned income and apply the tiered rent which is consistent with the household's current/anticipated income.

- A household will be eligible for this hardship exemption if the household's TTP is reduced by at least one income band as a result of the removal of the full-time student's earned income.
- A hardship due to full-time student status, must be requested, in writing, by the household.
- If a hardship exists, the hardship TTP will be set using the income band that applies to the household's current/anticipated gross annual income, taking into account the full-time student income exclusion.
- The hardship will remain in place for a 12-month period after which the family must reapply for the hardship and provide verification of full-time student status.
- If the family does not reapply and provide verification of full-time student status, the tiered rent TTP will revert to the pre-hardship tiered rent TTP.

10.5.7 Small Area Fair Market Rent (SAFMR) Hardship

Applicable to: All MTW program households

If the payment standard schedule amount has decreased, during the term of a HAP contract, HHA will not reduce the payment standard as long as the HAP contract remains in effect. If the family moves to a new unit, HHA will apply the payment standard in effect at the time of the move. This policy does not provide protection from decreases in payment standard due to changes in family composition.

10.5.8 Other Hardship

Applicable to: MTW Tiered Rent Treatment Group and MTW Excluded Group

A household in the Treatment group may request a hardship exemption for other circumstances not outlined above, such as the death of a family member, a significant increase in reasonable and necessary out-of-pocket expenses because of changed circumstances (for example, a large medical bill), or if the household is facing eviction due to inability to pay the rent. HHA will consider these requests on a case-by-case basis and decisions will be made by the Department Director level or above.

- The Department Head or their designee will determine that circumstances beyond the household's control make it difficult for the household to pay the tiered rent TTP, and a temporary rent reprieve is necessary.
- HHA will review the household's current/anticipated income and determine whether to set the TTP at a lower income tier or apply the $50 minimum rent based on the individual hardship.
- The duration of the hardship rent will be determined on a case-by-case basis which will reflect the anticipated duration of the presented hardship.

CHAPTER 11: INSPECTIONS

Note: as of the date of this Plan, HUD has released guidance extending the compliance date for implementation of the National Standards for the Physical Inspection of Real Estate (NSPIRE) referenced in this chapter and throughout this Plan until February 1, 2027. HHA will establish a NSPIRE compliance date that is on or prior to February 1, 2027. In the meantime, HHA will continue to utilize and enforce the Housing Quality Standards (HQS) methodology and policies as previously codified in 24 CFR 982.401. The NSPIRE-related provisions referenced below will become effective as of the HHA-established NSPIRE compliance date.

11.1 OVERVIEW

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) and Project Based Voucher (PBV) assistance meet HUD's minimum housing quality standards (HQS) as defined at 24 CFR 982.4 and 5.703 and comply with HUD's housing quality standards.

All units must pass an inspection prior to the approval of a lease (with some exceptions) and at least once every 24 months during the term of the HAP contract, and at other times as needed, to determine that the unit meets HQS or NSPIRE standards.

Provided they meet certain requirements, HHA is authorized to establish some additional local requirements, as noted in this Administrative Plan. The use of the terms *HQS* or *NSPIRE* in this plan refers to the combination of both HUD and HHA-established requirements. However, state and local codes, compliance is not part of the determination of whether a unit passes the HQS or NSPIRE standards.

11.2 PHYSICAL INSPECTION STANDARDS

11.2.1 Housing Quality Standards (HQS)

HUD amended the regulations at 24 CFR 982.401 to reference the National Standards for the Condition of HUD Housing at 24 CFR 5.703. However, until HHA has implemented NSPIRE, HHA will continue to enforce the Housing Quality Standards (HQS) previously codified at 24 CFR 982.401.

Additional Inspection Requirements

HHA uses the acceptability criteria in HUD program regulations, interpretative guidance of acceptability criteria in Form HUD 52580-A Inspection Checklist, and the HUD Housing Inspection Manual.

Where these documents instruct, that guidance should be sought from local codes/practice, HHA has issued instructive guidance in the form of Inspection Policy and Procedure maintained in HHA's Inspections Office.

In addition to HQS or NSPIRE standards, HHA adheres to the following:

1. Units that are not provided with refrigerated air by the owner must have screens installed at each opening of the building.

2. If screens are not provided, provide and maintain in good operating condition refrigerated air equipment capable of maintaining a maximum inside temperature that is 20 degrees Fahrenheit lower than the outside temperature or 85 degrees Fahrenheit, whichever is warmer, in each room intended for habitation.

3. Provide and maintain heating equipment in good operating condition that is capable of maintaining a minimum inside temperature of 70 degrees Fahrenheit, when it is no less than 20 degrees Fahrenheit outside. Inside temperature is to be measured at a point three (3) feet above the floor in each room intended for habitation.

4. Hot water will be provided at the kitchen sink, bathroom lavatory, tub or shower at a minimum temperature of 120 degrees Fahrenheit.

5. Each dwelling unit will contain at least 150 square feet of habitable floor space for the first resident and at least 100 square feet of additional habitable floor space for each additional resident. Each room occupied for sleeping purposes by one resident will contain at least 70 square feet of habitable floor space and each room occupied for sleeping purposes by more than one will contain at least 50 square feet of habitable floor space for each resident. Children under 12 months are not considered residents and children under six years of age are considered as one-half of one resident for purposes of this definition.

6. Unvented fuel burning portable space heaters, such as kerosene units or other open flame portable heating units, are strictly prohibited in all dwelling units.

7. An unvented heating appliance designed for stationary installation and utilized to provide comfort heating will be allowed in dwelling units provided:

    a. A manual shut off valve is installed at the connection to the stationary gas piping serving the heating equipment,

    b. The system appears in good repair as determined by the inspector; and

    c. No work has/is being completed on the gas system for the dwelling under Codes and conditions.

8. Electric space heaters are prohibited.

Emergency Fail Items

The following items are considered emergency fails (subject to correction in 24 hours or less):

1. No electricity;

2. No running water;

3. No hot water;

4. Natural gas fumes from fuel burning appliances/equipment or inoperable or deficient fuel burning appliances or equipment.

5. Major plumbing leaks or flooding, (such as sewer back-up or water line breakage);

6. Any electrical fixture or equipment that smokes, sparks, or short circuits that could create a fire hazard;
7. Uninhabitable units due to fire, tornado, flood, or destroyed/vandalized units that prevent a tenant from using the bathroom or kitchen;
8. Any life-threatening condition as determined by the Inspector and approved by the Inspection Supervisor;
9. Waterlogged ceiling or floor in imminent danger of falling/collapsing;
10. Absence of a working heating system when outside temperature has fallen below 60 degrees Fahrenheit on one of the previous seven days before the inspection. (The National Weather Service's measurement of temperature at Houston Hobby Airport will be utilized);
11. Presence of a non-working air conditioner when the outside temperature has reached above 85 degrees Fahrenheit on one of the previous seven days before the inspection. (The National Weather Service's measurement of temperature at Houston Hobby Airport will be utilized);
12. Conditions that present the imminent possibility of injury;
13. Obstacles that prevent safe entrance or exit from the unit;
14. Absence of a functioning toilet in the unit;
15. Absence of or inoperable smoke detectors;
16. Absence of or inoperable carbon monoxide detectors (when required)

11.2.2 NSPIRE Standards

Note: As of the publication date of this plan, the following NSPIRE standards noted throughout this section are on hold until HHA has established an implementation date (on or before February 1, 2027).

Upon HHA's adoption and implementation of NSPIRE, the following standards will be in effect and enforced.

Inspectable Areas

NSPIRE defines the inspectable areas for inspection under the standards as inside, outside and unit. However, the inspection requirement for the HCV and PBV programs only applies to units occupied or to be occupied by HCV or PBV participants and common areas and exterior areas which either service or are associated with such units.

Affirmative Habitability Requirements

NSPIRE provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside), as detailed below.

The inside, outside and unit must be free of health and safety hazards that pose a danger to residents. Types of health and safety concerns include, but are not limited to carbon monoxide, electrical hazards, extreme temperature, flammable materials or other fire hazards, garbage and debris, handrail hazards, infestation, lead-based paint, mold, and structural soundness.

The NSPIRE Smoke Alarm Standard does not require that smoke alarms have a sealed battery; however, upon the effective date of the Public and Federally Assisted Housing Fire Safety Act of 2022 on December 29, 2024, sealed batteries *will* be required.

Affirmative Habitability Requirements: Inside

1. Must include at least 1 battery-operated or hard-wired smoke detector, in proper working condition, on each level of the property.
2. Must meet or exceed the carbon monoxide detection standards set by the Secretary through Federal Register notification.
3. Any outlet installed within 6 feet of a water source must be GFCI protected.
4. Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
5. Must have permanently mounted light fixtures in any kitchens and each bathroom.
6. May not contain unvented space heaters that burn gas, oil or kerosene.

Affirmative Habitability Requirements: Outside

1. Any outlet installed within 6 feet of a water source must be GFCI-protected.
2. Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.

Affirmative Habitability Requirements: Unit

1. Must have hot and cold running water in the bathroom and kitchen, including an adequate source of safe drinking water in the bathroom and kitchen.
2. Must include its own bathroom or sanitary facility that is in proper operating condition and usable in privacy. It must contain a sink, a bathtub or shower, and an interior flushable toilet. Please note that SROs may have shared bathrooms.
3. Must have at least one battery-operated or hard-wired smoke detector, in proper working condition, in the following locations:
4. On each level of the unit AND
5. Inside each bedroom or sleeping area AND
6. With 21 feet of any door toa bedroom measured along a path of travel AND
7. Where a smoke detector is installed outside a bedroom is separated from an adjacent living area by a door, a smoke detector must also be installed in the living area side of the door.
8. If the unit is occupied by a hearing-impaired person, the smoke detectors must have an alarm system designed for hearing-impaired persons.
9. Must have a living room and a kitchen area with a sink, cooking appliance, refrigerator, food preparation area and food storage area.
10. Must have two working outlets or one working outlet and one permanent light fixture within all habitable rooms.
11. Must have a permanently mounted light fixture in each bathroom and in the kitchen.
12. Outlets within 6 feet of water source must be GFCI-protected.
13. Must have permanently installed heating source.
14. No units may contain unvented space heaters that burn gas, oil or kerosene.
15. Must have a guard rail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.

Must have at least one bedroom or living/sleeping room for each two persons.

Additional Local Requirements

HHA may impose variations to the NSPIRE standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families.

HHA has adopted the following additional local requirements:

- **City of Houston – Minimum Property Standards for Rehabilitation, Reconstruction & New Construction**

- Units that are not provided with refrigerated air by the owner must have screens installed at each opening of the building.
- If screens are not provided, provide and maintain in good operating condition refrigerated air equipment capable of maintaining a maximum inside temp that is 20 degrees Fahrenheit lower than the outside temperature or 85 degrees Fahrenheit whichever is warmer in each room intended for habitation.
- Provide and maintain heating equipment in good operating condition that is capable of maintaining a minimum inside temperature of 70 degrees Fahrenheit when it is no less than 20 degrees Fahrenheit outside. Inside temperature is to be measured at a point 3 feet above the floor in each room intended for habitation.
- Hot water will be provided at kitchen sink, bathroom lavatory, tub or shower at a minimum temperature of 120 degrees Fahrenheit.
- Each dwelling unit will contain at least 150 square feet of habitable floor space for the first resident and at least 100 square feet of additional habitable floor space for each additional resident.
- Each room occupied for sleeping purposes by one resident will contain at least 90 square feet of habitable floor space in each room occupied for sleeping purposes by more than one will contain at least 50 square feet of habitable floor space for each resident.
- Children under 12 months are not considered residents and children under 6 years of age are considered as ½ of one resident for purposes of this definition.
- Living rooms shall be at least 80 square feet area
- Rooms of less than 50 square feet cannot be used as living rooms or bedrooms.
- Bedrooms accessed off another bedroom shall not count as a separate room.
- All bedrooms must have access to closets for storage of clothing. On existing housing, closets in adjoining hall areas are acceptable.
- No space heaters shall be of a portable type.
- Every habitable room shall have two independent and unobstructed means of egress. This normally achieved through an entrance door and an egress window.
- The installation of weather stripping at all exterior doors, windows and, ground entry basement doors etc. is required.

- **Texas Property Code: Chapter 92 – Residential Tenancies**
  - At least one exterior door, usable for normal entry into the dwelling has both a keyed deadbolt and a keyless bolting device, installed in accordance with the height, strike plate, and throw requirements of the section 92.154
  - All other exterior doors have a keyless bolting device installed in accordance with the height, strike plate, and throw requirements of section 92.154.

- A sliding door pin lock on each exterior sliding glass door of the dwelling; a sliding door handle latch or a sliding door security bar on each exterior sliding glass door of the dwelling.

Life Threatening Deficiencies

The following is a list of life-threatening deficiencies under NSPIRE:

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.
	System does not function properly
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.
	Carbon monoxide alarm is obstructed.
	Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior.
	Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.
	Gas dryer transition duct is detached or missing.
	Electric dryer exhaust ventilation system has restricted airflow.
	Dryer transition duct is constructed of unsuitable material.
	Gas dryer exhaust ventilation system has restricted airflow.
Door – Entry	Entry door is missing.
Door – Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress.
	Sleeping room is located on the third floor or below and has an obstructed rescue opening.
	Fire escape is obstructed.
Electrical – Conductor, Outlet, and Switch	Outlet or switch is damaged.
	Exposed electrical conductor.
	Water is currently in contact with an electrical conductor.
Electrical – Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire escape component is damaged or missing.

Inspectable Item	Deficiency
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged.
	Fire extinguisher service tag is missing, illegible, or expired.
	Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater; OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed.
	Guardrail is not functionally adequate.
Heating, Ventilation, and Air Conditioning (HVAC)	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.
	Unvented space heater that burns gas, oil, or kerosene is present.
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.
Leak – Gas or Oil	Natural gas, propane, or oil leak.
Mold-like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	Smoke alarm is not installed where required.
	Smoke alarm is obstructed.
	Smoke alarm does not produce an audio or visual alarm when tested.
Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.
	Sprinkler assembly has evidence of corrosion.
	Sprinkler assembly has evidence of foreign material that is detrimental to performance.
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	Chimney or flue piping is blocked, misaligned, or missing.

Inspectable Item	Deficiency
	Gas shutoff valve is damaged, missing, or not installed.

In addition to those listed under the NSPIRE standards, the following are considered life-threatening conditions:

- Utilities not in service, including no running hot water
- Uninhabitable units due to fire, tornado, flood or destroyed/vandalized units that prevent a tenant from using the bathroom or kitchen
- Waterlogged ceiling or floor in imminent danger of falling/collapsing.
- Presence of a nonworking air conditioner when the outside temperature has reached 85 degrees Fahrenheit on one of the previous seven days before the inspection. (The National Weather Service's measurement of temperature at Houston Hobby Airport will be utilized).
- Conditions that present the imminent possibility of injury.
- Absence of a functioning toilet in the unit.
- Any life-threatening condition as determined by the inspector and approved by the Inspection Supervisor.

11.2.3 Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must make reasonable accommodations in rules, policies, practices, or services if necessary for a person with disabilities to use the housing and must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit if such modification is necessary to afford the person with a disability full enjoyment of the premises. Such modifications are at the family's expense. The owner may, where it is reasonable to do so, require restoration of the unit to its original condition (reasonable wear and tear excepted) if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest-bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.

Modifications to units to provide access for a person with a disability must meet all applicable NSPIRE requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31]. See the **FAIR HOUSING AND EQUAL OPPORTUNITY** chapter of this Plan for additional information on reasonable accommodations for persons with disabilities.

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to HHA for review.

11.2.4 Family and Owner Responsibilities

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Family Responsibilities	The family is responsible for correcting the following deficiencies: • Tenant-paid utilities not in service • Failure to provide or maintain appliances owned by the family • Damage to the unit or premises caused by a household member or guest beyond ordinary wear and tear. *Ordinary 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 family may be held responsible for the following deficiencies: • Tenant-paid utilities not in service • Failure to provide or maintain appliances owned by the family • Damage to the unit or premises caused by a household member or guest beyond ordinary wear and tear. *Ordinary wear and tear* is defined as items which could not be charged against the

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
		tenant's security deposit under state law or court practice. **If HHA has waived the owner's responsibility to remedy the violation, the following applies:** • If the deficiency caused by the family is life-threatening, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 24 hours of notification. • For other family-caused deficiencies, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any HHA-approved extension).
Owner Responsibilities / Obligations	The owner must maintain the unit in accordance with NSPIRE regulations and standards. The owner is not responsible for a breach of the standards that is not caused by the owner, and for which the family is responsible. The owner is responsible for all NSPIRE violations not listed as a family responsibility above, 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. If an owner fails to correct life-threatening conditions as required by HHA, HHA will enforce the NSPIRE standards in accordance with HUD requirements.	The owner must maintain the unit in accordance with NSPIRE regulations and standards. **In the case of a deficiency that HHA determines is caused by the tenant (other than damage resulting from ordinary use), HHA may waive the owner's responsibility to remedy the violation. The HAP to the owner shall not be withheld or abated if the owner responsibility has been waived.** However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. **In addition, HHA may terminate the family's assistance because of an NSPIRE breach (beyond damage resulting from ordinary use) caused by the tenant.**

11.2.5 Lead-Based Paint

Owners must comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance and Subpart H—Project-Based Assistance. Any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of NSPIRE standards.

For the HCV program, Subpart M applies to units where a child under age six resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For project-based programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age six resides or is expected to reside in the unit. NSPIRE does not alter any of the lead-based paint requirements in Part 35 for these programs.

Special Requirements for Children with Elevated Blood Lead Level

If HHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, HHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from HHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325] and [24 CFR 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of NSPIRE standards and HHA will take action to enforce owner compliance.

11.2.6 City of Houston Building Code

If HHA is notified by the City of Houston that a property leased under the HCV program does not meet local building code, it may be treated as failing NSPIRE. In such cases, the owner will be notified to make the necessary repairs. The owner’s failure to make the necessary repairs will result in abatement of subsidy and termination of the HAP Contract.

11.2.7 Violation of Space Standards

Units assisted under the HCV or PBV programs must have at least one bedroom or living/sleeping room for each two persons. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. Each habitable room must have two working outlets or one working outlet and a permanent light.

HUD defines a *habitable room* as a room in a building for living, sleeping, eating, or cooking, but excluding bathrooms, toilet rooms, closets, hallways, storage or utility spaces, and similar areas.

A unit that does not meet these space standards is defined as *overcrowded*. If HHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, HHA must issue the family a new voucher, and the family must try to find an acceptable unit as

soon as possible. If an acceptable unit is available for rental by the family, HHA must terminate the HAP Contract in accordance with its terms.

11.3 TYPES OF INSPECTIONS

HHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

1. **Initial Inspections.** HHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the NSPIRE inspection before the effective date of the HAP Contract. See **Initial Inspections**.
2. **Regular/Periodic Inspections.** HUD requires HHA to inspect each unit under lease at least annually or biennially, depending on HHA policy, to confirm that the unit still meets NSPIRE standards. See **Regular/Periodic Inspections**.
3. **Special/Interim Inspections.** A special/interim inspection may be requested by the owner, the family, or a third party because of problems identified with a unit between annual inspections. See **Special/Interim Inspections**.
4. **Quality Control Inspections.** HUD requires that a sample of units be re-inspected by a supervisor or other qualified individual to ensure that NSPIRE standards are being enforced correctly and uniformly by all inspectors. See **Quality Control Inspections**.

11.3.1 Inspection of HHA-Owned Units

A third party will conduct inspections for HHA-owned units, except project-based units owned by HHA. See **24 CFR 982.4(b)** for definition of a “PHA-owned unit”.

> ***MTW Policy***
>
> **MTW Waiver:** 5.c. – Third-Party Requirement
>
> **Approval Date:** FY 2022
>
> **Description:** This waiver allows HHA to conduct NSPIRE inspections of Project Based Voucher (PBV) units that it owns, manages and/or controls as an alternative to having inspections conducted by a third party.
>
> All such inspections are conducted using NSPIRE standards.
>
> To ensure the consistent and uniform application of NSPIRE standards, HHA supervisory staff will conduct quality control inspections on a random sample of units in accordance with the Inspection Quality Assurance Method developed by HHA.
>
> Program participants may request an interim inspection by contacting HHA in accordance with the policies described in the Administrative Plan.
>
> If requested by HUD, HHA will obtain the services of a third-party entity to determine if HHA-owned units pass NSPIRE.

11.3.2 Inspection Costs

HHA may not charge the family for unit inspections or reinspections.

HHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, HHA may charge a $75 fee to owners for reinspections in three situations:

1. When the owner notifies HHA that a repair has been made but the deficiency has not been corrected;
2. When the time for repairs has elapsed and the deficiency has not been corrected; or
3. Failure to cancel or reschedule an initial inspection at least 24 hours before the scheduled date.

Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection. The owner may not pass the cost of a reinspection fee to the family.

11.3.3 Remote Video Inspections

As an alternative to some or all on-site inspections, HHA may, but is not required to, perform NSPIRE inspections from a remote location using video streaming technology and a proxy at the inspection site. See Notice PIH 2020-31 for more information.

11.3.4 Notice and Scheduling

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 may not be less than 2 business days. Inspections may be scheduled generally between 7:00 a.m. and 6:00 p.m. Generally, inspections will be conducted on business days only, and weekends only as needed. In the case of a life-threatening emergency, HHA will conduct the reinspection within 24 hours.

11.3.5 Owner and Family Inspection Attendance

Any household member at least 18 years of age or older must be present for the regular inspection, any special inspection, any quality control inspection and any re-inspection.

The presence of the owner or the owner's representative is required for the initial inspection and any initial re-inspection unless the tenant obtaining the unit is already residing in unit.

11.3.6 Initial Inspections

Approving Units

Units assisted under the HCV program must be inspected to determine that the units meet NSPIRE standards before HHA approves assisted tenancy.

Inspection Results and Re-inspections

If any deficiencies are identified, the owner will be forwarded written notification of the deficiencies and be given a time frame to correct them (no less than 20 days unless it is a life-threatening violation, not to exceed 30 days unless an extension has been granted). If requested by the owner, the time frame for correcting the deficiencies may be extended by HHA for good cause. HHA may re-inspect the unit or approve documentation of completed repairs in lieu of in-person physical re-inspection.

If the time period for correcting the deficiencies (or any HHA-approved extension) has elapsed, or the unit fails at the time of the re-inspection, HHA will forward the owner and the family written notification that the unit has failed inspection and advise the family to search for another unit. HHA may agree to conduct a second re-inspection, for good cause, at the written request from the family or owner, or through a request confirmed by the inspector.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

Utility service must be available for testing at the time of the initial inspection.

Appliances

If the family is responsible for supplying the stove and/or refrigerator, HHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other NSPIRE requirements. The required appliances must be in place before the HAP Contract is executed by HHA. HHA 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.

11.3.7 Regular/Periodic Inspections

HUD requires HHA to regularly inspect each unit under lease to confirm that the unit still meets NSPIRE standards. HHA typically conducts an inspection for compliance with NSPIRE before the end of the calendar month in which the initial or last annual inspection was completed.

HHA conducts biennial inspections, and triennial inspections for identified units (as authorized under MTW Waiver 5.d.), but reserves the right to conduct annual inspections as needed or determined by HHA for:

1. Units for families with a Reasonable Accommodation for an additional bedroom, typically approved by HHA to be used for medical equipment;
2. Units that had any health and safety deficiency during its previous NSPIRE inspection; or
3. Units with multiple non-health and safety deficiencies for two or more consecutive years, that are identified by HHA to be prudent to inspect annually.

MTW Policy

MTW Waiver: 5.d. – Alternative Inspection Schedule (HCV)

Approval Date: FY 2022

Description: This waiver allows HHA to implement an alternative inspection schedule for HCV units based on agency assessment of the age, property/unit condition, quality of property management and/or other relevant factors for individual units or buildings under a Housing Assistance Payments contract.

All units must be inspected and pass NSPIRE at initial occupancy.

All units meet NSPIRE and be inspected at least once every three years (triennially).

All program participants will be able to request an interim inspection in accordance with HHA Administrative Plan policies.

HUD shall be able to conduct or direct HHA to conduct inspections at any time for health, safety and/or accessibility purposes.

Scheduling the Inspection

An adult household member at least 18 years or older must be present at any scheduled inspection. It is the responsibility of the family to arrange for a household member to be present (unless it is initial inspection; then it is the landlord's responsibility). If a household member cannot be present, the family is expected to provide a written request for a rescheduled inspection and/ or receive verbal confirmation of same from the inspector or inspection supervisor. This request must be submitted and confirmed at least 3 business days prior to inspection date. Once the request is submitted and confirmed, HHA may choose to reschedule the inspection for a new date.

1. If the family misses a scheduled inspection, HHA will consider this an inconclusive "no entry" inspection and provide the family with written notice that a new inspection has been scheduled. HHA will also provide notice of the consequences of failing to make the unit accessible by an adult if an additional inspection attempt is missed in the same inspection cycle.
2. If the family misses two inspections during the same cycle HHA will consider the family to have violated its obligations and it may result in termination of the family's assistance in accordance with **TERMINATION OF ASSISTANCE AND TENANCY**.
3. An inspection cycle consists of all the inspections starting from the first inspection, and all inspections that may follow, until the unit is either in a passing status or the HAP Contract has been terminated for that unit.

11.3.8 Special/Interim Inspections

Special/interim inspections include inspections in response to complaints registered with HHA by families, owners or other sources regarding the unit's condition, quality control inspections, or any other inspection the HHA may deem appropriate to conduct. HHA is obligated to investigate complaints which may indicate non-compliance with NSPIRE requirements. When repeated complaints about an assisted property are received, HHA may conduct regular or routine inspections more often than annually/biennially. Special inspections resulting in a fail or inconclusive NSPIRE determination require the same notification actions and enforcement processes described above for annual inspections.

If a participant or government official notifies HHA of a potential deficiency, the following applies:

1. If the reported deficiency is life-threatening, HHA shall inspect the housing unit and notify the owner if the life-threatening deficiency is confirmed within 24 hours of notification. The owner must then make the repairs within 24 hours of HHA notification.
2. If the reported deficiency is non-life-threatening, HHA shall inspect the unit and notify the owner if the deficiency is confirmed within 15 days of notification. The owner must then

make the repairs within 30 days of notification by HHA or within any HHA-approved extension.

During a special inspection, HHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional NSPIRE deficiencies that are observed and will require the responsible party to make the necessary repairs. If the biennial/triennial inspection has been scheduled or is due within 90 calendar days of the date the special inspection is scheduled, HHA may elect to conduct a full biennial/triennial inspection.

11.3.9 Quality Control Inspections

HUD requires an HHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the NSPIRE.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample should be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

11.4 INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

11.4.1 Correction Timeframes

Each deficiency is identified in the NPSIRE standards as either life-threatening, severe, moderate, or low.

For units under HAP contract, life-threatening deficiencies must be corrected within 24 hours after notice has been provided. All other non-life-threatening deficiencies (severe and moderate) must be corrected within 30 days (or an HHA-approved extension) after notice has been provided. If low deficiencies are present in a unit, these deficiencies result in a pass and would only be noted by the inspector for informational purposes.

11.4.2 Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies deficiencies, HHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

1. When **life-threatening deficiencies** are identified: HHA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of HHA's notice.
2. When failures that are **severe or moderate** are identified: HHA will send the owner and the family a written notification of the inspection results within five (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.
3. If **low deficiencies** are identified: these deficiencies will only be noted for informational purposes.

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Notification of Corrective Actions	The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any HHA-approved extension), the owner's HAP will be abated in accordance with HHA policy. 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 HHA-approved extension, if applicable) the family's assistance will be terminated in accordance with HHA policy.	**If the owner is responsible for correcting the deficiency,** the notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any HHA-approved extension), the owner's HAP will be abated in accordance with HHA policy. **If the family is responsible for correcting the deficiency**, the notice will inform the family that if corrections are not made within the specified time frame (or any HHA-approved extension, if applicable) the family's assistance will be terminated in accordance with HHA policy. See also **Enforcing Owner Compliance** and **Enforcing Family Compliance** for additional policies regarding timeframes for withholding and/or abating HAP, as applicable. In addition to the information above, the notices to the tenant and owner should indicate when and if HAP will be withhold or abated, as applicable.

11.4.3 Extensions

Extensions may be granted in cases where HHA 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:

1. A repair cannot be completed because required parts or services are not available.
2. A repair cannot be completed because of weather conditions.
3. A reasonable accommodation is needed because the family includes a person with disabilities.

HHA may require written documentation substantiating the reason for an extension.

The length of the extension will be determined on a case-by-case basis. 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.

For life-threatening deficiencies, HHA cannot grant an extension to the 24-hour corrective action period.

For conditions that are severe or moderate, HHA may grant an exception to the required time frames for correcting the violation, if HHA determines that an extension is appropriate.

11.4.4 Reinspections

HHA will conduct a reinspection immediately following the end of the corrective period, or any HHA-approved extension. If the deficiencies have not been corrected by the time of the reinspection, HHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with HHA policies. If HHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, HHA will consider the family to have violated its obligation to make the unit available for inspection which may result in termination of the family's assistance in accordance HHA policy.

HHA may accept self-certification of repairs. Photos or other documentation of repairs may be accepted in lieu of a reinspection.

If the HAP has been abated due to non-compliance (as detailed below), submission of self-certification documents after the reinspection due date does not nullify the abatement.

11.5 Enforcing Owner Compliance

If the owner fails to maintain the dwelling unit in accordance with NSPIRE standards, HHA will take action to enforce the owner obligations.

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
HAP Withholding	N/A	HHA may withhold assistance payments for units that have deficiencies once the owner has been notified in writing of the deficiencies. In this case, if the unit is brought into compliance during the applicable cure period, HHA shall resume assistance payments and provide payments to cover the time period for which the payments were withheld.
HAP Abatement	If an owner fails to correct deficiencies by the time specified by HHA, HHA will abate housing assistance payments no later than the first of the month following the specified correction period	HHA shall abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period.

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
	(including any approved extension). No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of deficiencies that are the family's responsibility. During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.	In this case, HHA shall notify the family and the owner that it is abating payments and, if the unit does not meet inspections standards within 60 days (or a reasonable longer period established by HHA), HHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. The owner may not terminate the tenancy of any family due to the withholding or abatement of assistance. During any abatement period the family continues to be responsible for its share of the rent.
HAP Contract Termination	HHA will notify the family and issue the family a voucher to move when a unit has been in abatement for 30 days. Generally, HHA will terminate a HAP contract when a unit has been in abatement for 90 days; however HHA will also factor into the HAP termination determination, the nature of the violation, the extent of the repairs and the good faith of the landlord in attempting to make said repairs. HHA will make an effort to not terminate the HAP contract until the family finds another unit, provided the family does so in a reasonable time. The maximum length of time that HAP may be abated is 90 days. However, if the owner completes corrections and notifies HHA before the termination date of the HAP contract, HHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.	If the unit does not meet NSPIRE standards within 60 days (or a reasonable longer period established by HHA), HHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. In this case, HHA shall issue the family its voucher to move at least 30 days prior to the termination of the HAP contract. The family will be given at least 90 days (or a longer period as HHA determines is reasonably necessary) following the termination of the HAP contract to lease a new unit.

11.6 ENFORCING FAMILY COMPLIANCE

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Enforcing Family Compliance	Families are responsible for correcting any deficiencies listed in **Family Responsibilities**. If the family fails to correct a violation within the period allowed by HHA (and any extensions), HHA will terminate the family's assistance in accordance with HHA policy. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.	**If HHA waived the landlord responsibility for NSPIRE deficiencies that have been determined to have been caused by the tenant,** the family is responsible for correcting the deficiencies. If the family fails to correct a deficiency within the period allowed by HHA (and any extensions), HHA will terminate the family's assistance, according to HHA's policies. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair and may enter into a repayment agreement with the family.

CHAPTER 12: RENT REASONABLENESS

12.1 OVERVIEW

A HAP contract and lease may not be approved until HHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program. A reasonable rent is one that does not exceed the rent charged for comparable, unassisted units in the same market area. Owners are also prohibited from charging more for assisted units than for comparable unassisted units on the premises.

At all times during assisted tenancy, HHA will ensure that the rent to the owner does not exceed the reasonable rent as most recently determined or re-determined by HHA. HHA will determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. In making this determination HHA will consider:

1. The amount of rent being charged for comparable, standard, unassisted units in the neighborhood;
2. The quality, location, size, unit type and age of the contract unit;
3. The amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease;
4. Onsite facilities;
5. Management and maintenance of the building and unit; and
6. The amount of rent charged by the owner for similar units in the same structure.

12.2 HHA-OWNED UNIT EXCEPTIONS

In cases where an HCV family is receiving assistance in an HHA-owned unit, HHA must typically obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance.

However, see **Rent for HHA-Owned Units** for policies related to rent reasonableness requirements for HHA-owned PBV units, and related MTW policies.

An *HHA-owned unit* is defined as a unit that is owned by HHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by HHA). The independent agency must communicate the results of the rent reasonableness determination to the family and HHA. The independent agency must be approved by HUD and may be the unit of general local government for HHA jurisdiction (unless HHA is itself the unit of general local government or an agency of such government).

12.3 WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

HHA will determine rent reasonableness in accordance with HUD requirements:

1. At initial move-in;
2. Before any increase in rent;

3. If there is a 10 percent decrease in the applicable fair market rent that goes into effect at least 60 days before the contract anniversary date;
4. If directed by HUD, and
5. At any other time at the discretion of HHA.

In addition to the instances described above, the HHA will determine rent reasonableness at any time after the initial occupancy period if: (1) HHA determines that the initial rent reasonableness determination was in error or (2) HHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

For rent increase requests after initial lease-up, the HHA may request owners to provide information about the rents charged for other unassisted units owned by the landlord. In evaluating the proposed rents in comparison to other unassisted units the HHA will consider unit size and length of tenancy in the other units.

HHA will timely determine whether the requested increase is reasonable after receiving the request from the owner. The owner will be notified of the determination in writing.

12.4 REQUESTS FOR RENT INCREASE

12.4.1 Owner-Initiated Rent Increases

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, HHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than four (4) units. In evaluating the proposed rents in comparison to other units on the premises, HHA will consider unit size and length of tenancy in the other units.

Requests for rent increase by the owner are subject to the following requirements:

1. Owners seeking a contract rent increase must send a written request to HHA, copied to the participant, at least 60 days prior to the proposed date of the increase.
2. The contract rent may not be increased until after the initial term of the lease.
3. After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease once in a 365-day period.
4. Rent increases will not be approved unless any failed items identified by the most recent NSPIRE inspection have been corrected.
5. All rent adjustments will become effective the later of: (1) the first of the month that begins 60 or more calendar days after HHA receives the owner's request with all HHA required documents properly completed and signed, or (2) on the date specified by the owner in the request.

HHA will determine whether the requested increase is reasonable and will notify the owner in writing. HHA is not required to approve a rent increase if the rent is determined to be unreasonable, or if HHA has insufficient funding to provide for general increases.

12.4.2 HHA and HUD-Initiated Rent Reasonableness Determinations

HUD requires HHA to determine rent reasonableness if there is a ten percent decrease in the HUD-published Fair Market Rent (FMR) that goes into effect at least sixty (60) calendar days before the contract anniversary date.

Additionally, HHA will determine rent reasonableness at any time after the initial occupancy period if: (1) HHA determines that the initial rent reasonableness determination was in error or (2) HHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

12.4.3 LIHTC- and HOME-Assisted Units

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME- assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTC's, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, HHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the subsidy standard established by HHA for the unit size involved.

12.5 How Reasonable Rents Are Determined

The reasonable rent must be determined by comparison to the rent for other comparable unassisted units.

12.5.1 Comparability – Factors to Consider

HHA will consider the factors listed below when determining rent comparability. HHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit:

1. Location and age;
2. Unit size including the number of rooms;
3. The type of unit including construction type (e.g., single family, duplex, garden, low- rise, high-rise);
4. The quality of the units including the quality of the original construction, maintenance and improvements made; and
5. Amenities, services, and utilities included in the rent.

12.5.2 Units That Must Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units.

These include units assisted by HUD through any of the following programs:

1. Section 8 project-based assistance;
2. Section 236 and Section 221(d)(3);
3. Below Market Interest Rate (BMIR) projects;
4. HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized;
5. Units subsidized through federal, state, or local tax credits;
6. Units subsidized by the Department of Agriculture rural housing programs; and
7. Units that are rent controlled by local ordinance.

12.5.3 Rents Charged for Other Units on the Premises

The RFTA requires owners to provide information about the rent charged for other unassisted comparable units on the premises if the premises includes more than 4 units.

By accepting HHA payment each month, the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give HHA information regarding rents charged for other units on the premises.

Units for which an owner has decided to charge rents that are below what other tenants are charged and what the market might bear are not "assisted" units for the purposes of rent reasonableness determinations. Per HUD guidance, these units must be taken into consideration as unassisted comparable units on the premises.

Units assisted by Low-Income Housing Tax Credits (LIHTC) or assistance under HUD's HOME Program are not required to determine rent reasonableness if the rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance. If the rent requested exceeds rent for non-voucher families, then a rent reasonableness determination is required.

In the case of a family moving into a multi-family property, HHA will only consider units leased within the past year in determining comparable unassisted units.

12.6 HHA RENT REASONABLENESS METHODOLOGY

HHA establishes its rent reasonableness standards based on an ongoing and updated current market analysis provided by an independent third-party. In addition, HHA may obtain information from other sources listed below such as:

1. State, City, real estate agents, banks
2. Classified ads, multiple listings, etc.
3. Web-based real estate applications that provide rental market information
4. Owner-provided rent rolls of comparable units confirmed by HHA.

12.6.1 How Market Data is Collected

HHA utilizes a HUD-compliant online comparability tool that contains data on market rents in HHA's jurisdiction. The data is maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made

boundaries. The data is updated on an ongoing basis and rent information that is more than 12 months old is eliminated from the comparison.

For any HHA-owned units in the Project-based Voucher Program, see **PROJECT-BASED VOUCHER (PBV) ASSISTANCE**.

For units not owned by HHA, HHA may apply an adjustment factor of up to 5% to the independent entity's determination if the proposed rent does not exceed HHA Payment Standards.

12.6.2 How Rents are Determined

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. HHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, HHA may adjust the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference—not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

HHA will notify the owner of the rent HHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. HHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 15 calendar days of HHA's request for information or the owner's request to submit information.

CHAPTER 13: GENERAL LEASING POLICIES

13.1 OVERVIEW

In order for HHA to assist a family in a particular dwelling unit, or execute a housing assistance payments (HAP) contract the unit must meet the following requirements:

1. **Unit Eligibility:** The unit must qualify as an eligible unit;
2. **Inspections:** The unit must be decent, safe and sanitary and meet HCV Inspections Standards (see **INSPECTIONS**);
3. **Lease:** The lease offered by the owner must be approvable and include the required HUD Tenancy Addendum;
4. **Rent Reasonableness:** The unit rent must be reasonable given the market area and amenities; exception rents may apply where accessible units are concerned; and
5. **Owner:** The owner must be an eligible owner, approvable by HHA, with no conflicts of interest.

13.2 OWNER SCREENING OF PROSPECTIVE TENANTS

HHA has no liability or responsibility to the owner or other persons for the family's behavior for tenancy. The owner is responsible for screening and selection of the family to occupy the owner's unit. HHA informs owners that screening and selection for tenancy is the responsibility of the owner. HHA also informs owners and/or managers of their responsibility to comply with VAWA.

HHA does not provide prospective landlords any additional information related to screening the tenant.

13.3 REQUESTING TENANCY APPROVAL

Once a family finds a suitable unit, the owner and the family must request approval from HHA.

13.3.1 Required Documents

The owner and the family must submit the following documents to HHA:

1. Completed Request for Tenancy Approval (RFTA) – Form HUD-52517;
2. Certification of Additional Amenities form;
3. IRS W-9 or similar tax information to confirm property ownership; and
4. Banking information for direct deposit of HAP.
5. Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A.

HHA may request additional documents such as: Lead-based Paint form, other proof of ownership, Owner Declaration, and rental license/village permit, as needed.

13.3.2 Request for Tenancy Approval (RFTA) Form

The RFTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for HHA to determine whether to approve the assisted tenancy in this unit.

The RFTA must be complete and signed by both the family and the owner. If the RFTA is incomplete (including lack of signature by family, owner, or both) HHA will not accept the RFTA.

The family may not submit, and HHA will not process, more than one RFTA at a time.

13.3.3 Proof of Ownership

HHA will require the owner to submit a copy of the unit deed to confirm ownership prior to approving a Request for Tenancy. At its discretion, HHA may also collect other acceptable documentation of legal ownership of the unit.

HHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership.

When owners use a management agency, documentation of legal ownership as well as the management agreement between the owner and the management agency must be provided to HHA.

13.3.4 Other Requirements

Owners must certify the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the spouse, parent, child, grandparent, grandchild, sister or brother (or the spouse of any of these individuals) of any member of the family, unless HHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RFTA and the proposed lease must be submitted no later than the expiration date stated on the voucher or any approved extensions, suspensions, or tolling.

13.4 UNIT ELIGIBILITY

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program.

13.4.1 Eligible Units

Generally, a voucher-holder family may choose any available dwelling unit on the market in HHA's jurisdiction. This includes the dwelling unit they are currently occupying.

HHA may also permit households to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. See **Special Housing Types** for more information.

13.4.2 Ineligible Units

HHA will not assist a unit under the voucher program if the unit is:

1. A public housing or Indian housing unit;
2. A unit receiving project-based assistance under Section 8 of the 1937 Act (42 U.S.C. 1437f);
3. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services;
4. College or other school dormitories;
5. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
6. A unit occupied by its owner or by a person with any interest in the unit.

13.4.3 Special Housing Types

Except for VASH families, HHA will not generally permit a family to use any of the special housing types discussed in this chapter. No special funding is provided for special housing types. If, as a reasonable accommodation, a family is permitted to use HUD-approved special housing types, HHA may limit the number of families who receive HCV assistance through these housing types and will follow the applicable regulatory requirements in 24 CFR 982 Subpart M: Special Housing Types.

Special housing types include:

1. Single room occupancy (SRO) housing,
2. Congregate housing,
3. Group homes,
4. Shared housing,
5. Cooperative housing,
6. Manufactured homes, and
7. Homeownership.

13.4.4 HHA-Owned Units

Otherwise eligible units that are owned or substantially controlled by HHA may also be leased in the voucher program. In order for an HHA-owned unit to be leased under the voucher program, and HHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a HHA-owned unit without any pressure or steering by HHA.

13.4.5 Duplicative Assistance

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

1. Public or Indian housing assistance;
2. Other Section 8 assistance (including other tenant-based assistance);
3. Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
4. Section 101 rent supplements;
5. Section 236 rental assistance payments;
6. Tenant-based assistance under the HOME program;
7. Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
8. Any local or state rent subsidy;
9. Section 202 supportive housing for the elderly;
10. Section 811 supportive housing for persons with disabilities;
11. Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
12. Any other duplicative federal, state, or local housing subsidy, as determined by HUD. For this purpose, housing subsidy does not include the housing component of a welfare payment, a Social Security payment received by the family, or a rent reduction because of a tax credit.

13.4.6 Inspections Standards

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD. See the chapter on **INSPECTIONS** for a full discussion of the physical standards, as well as the process for inspections.

13.4.7 Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. Families are allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable NSPIRE space requirements. Families are allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family provided that the rent for the unit is consistent with the maximum initial rent burden.

13.4.8 Rent Reasonableness

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See the chapter on **RENT REASONABLENESS** for a full discussion of rent reasonableness policies.

13.4.9 Maximum Initial Rent Burden

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family's share of rent cannot exceed 40 percent of the family's monthly adjusted income.

13.5 LEASE AND TENANCY ADDENDUM

13.5.1 Lease

The family and the owner must execute and enter into a written lease for the assisted unit. This written lease is a contract between the tenant family and the owner; HHA is not a party to this contract. The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease.

The assisted dwelling lease must contain all of the required information, including:

1. The names of the owner and the tenant;
2. The unit rented (address, apartment number, and any other information needed to identify the contract unit);
3. The term of the lease (initial term and any provisions for renewal);
4. The amount of the monthly rent to owner;
5. A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

HHA will not review the owner's lease for compliance with state/local law.

Additionally, see **Prohibition Against Sub-Leasing and Short-Term Rentals** for additional leasing restrictions.

13.5.2 Lease Changes

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give HHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, HHA-approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless HHA has approved a new tenancy in accordance with program

requirements and has executed a new HAP contract with the owner. These circumstances include:

1. Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
2. Changes in lease provisions governing the term of the lease; and
3. The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new RFTA along with a new lease containing the modified terms. A new tenancy must then be approved in accordance with this chapter. HHA will re-determine reasonable rent in these circumstances.

Where the owner is requesting a rent increase, HHA will determine whether the requested increase is reasonable. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the 60-day period after the owner notifies the HHA of the rent change or on the date specified by the owner, whichever is later.

13.5.3 Separate Non-Lease Agreements Between Owner and Tenant

HHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

HHA is not liable or responsible for defaults under the terms of any non-lease agreement.

13.5.4 Tenancy Addendum

All provisions in the HUD-required Tenancy Addendum must be incorporated into the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

13.5.5 Term of Assisted Tenancy

The initial term of the lease must be for at least one year for all transfers and new admissions.

However, HHA may approve an initial lease term of less than one year only where HHA determines and can clearly document that:

1. Such shorter term would improve housing opportunities for the tenant; and
2. Such shorter term is the prevailing local market practice.

During the initial term of the lease, the owner may not raise the rent and/or make any changes to the lease. Any provisions for renewal of the lease will be stated in the lease.

After the initial lease term, any subsequent lease term proposed by an owner in that same unit must be for at least one year, unless a different term is specifically stated otherwise in the initial executed lease. The term of any hold-over tenancy lease will be month-to-month with no changes to the terms of the lease.

Requests to Move During the Initial Lease Term

During the initial lease term, HHA will not issue the household another subsidy to move unless:

1. It is done as a Reasonable Accommodation after the owner has agreed in writing to break the lease;
2. The need to move is VAWA related;
3. It is for verified education, training, or employment opportunities with landlord/owner approval; or
4. It is for another reason at the sole discretion of HHA. In this case, a household is not entitled to appeal the decision.

See **MOVING WITH CONTINUED ASSISTANCE** for more information.

13.5.6 Security Deposit

The owner may collect a security deposit from the tenant. Security deposits must be in accordance with all State and local laws and may not be in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

13.6 TENANCY APPROVAL

After receiving the family's RFTA, HHA will notify the family and owner, in writing, as to whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, HHA will ensure that all required actions and determinations are completed, including ensuring that:

1. The unit is eligible;
2. The unit has been inspected by HHA and meets the NSPIRE standards;
3. Any lease offered by the owner is approvable and includes the required Tenancy Addendum;
4. The rent to be charged by the owner for the unit is reasonable and where applicable does not result in the tenant being rent burdened;
5. The owner is an eligible owner, not disapproved by HHA, with no conflicts of interest; and
6. The family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information.

If the terms of the RFTA are changed for any reason, including but not limited to negotiation with HHA, HHA will obtain corrected copies of the RFTA signed by the family and the owner.

13.6.1 Disapproval of Assisted Tenancy

If HHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any reasons for disapproval. HHA will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, the HHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

13.7 HAP CONTRACT

The HAP contract is a written agreement between HHA and the owner of the dwelling unit occupied by an HCV-assisted family. The contract spells out the owner's responsibilities under the program, as well as HHA's obligations. Under the HAP contract, HHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

13.7.1 HAP Contract Execution

If HHA has given approval for the family of the assisted tenancy, the owner and HHA must execute the HAP contract.

The HAP contract will be executed no later than 60 days from the effective date of the lease.

13.7.2 HAP Contract Payments

HHA will not pay any housing assistance payment to the owner until the HAP contract has been executed. Any HAP contract executed after the 60-day period is void, and HHA may not make any housing assistance payments to the owner.

At the beginning of each month during the term of the HAP contract, and subject to the provisions of the HAP contract, HHA will make monthly HAP payments to the owner on behalf of the family. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The monthly HAP payment by HHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant plus the HHA HAP payment should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and HHA is not responsible for payment of the family share of rent.

The owner may not demand or accept any rent payment from the tenant in excess of this maximum. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

If the owner receives any excess HAP from HHA, the excess amount must be returned immediately. If HHA determines that the owner is not entitled to all or a portion of the HAP, HHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract.

13.7.3 Owner Certification Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract.

By endorsing the monthly check from HHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that:

1. The owner is maintaining the unit and premises in accordance with NSPIRE;
2. The contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence;
3. The rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and
4. The owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

13.7.4 Late HAP Payments

HHA is responsible for making HAP payments promptly when due to the owner in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term the HAP contract provides for penalties if HHA fails to make the HAP payment on time. HHA shall pay the owner penalties if:

1. Such penalties are in accordance with generally accepted practices and law, as applicable in the local housing market governing penalties for late payment of rent by a tenant;
2. It is the owner's practice to charge such penalties for assisted and unassisted tenants; and

3. The owner also charges such penalties against the tenant for late payment of family rent to owner.

HHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond HHA's control. In addition, late payment penalties are not required if HHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract.

13.7.5 Termination of HAP Contracts and Payments

The HAP contract and the housing assistance payments made under the HAP contract may be terminated if:

1. The owner or the family terminates the lease;
2. The lease expires;
3. HHA terminates the HAP contract;
4. HHA terminates assistance for the family;
5. The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit;
6. 180 days have elapsed since HHA made the last housing assistance payment to the owner;
7. The family is absent from the unit for longer than the maximum period permitted by HHA;
8. The Annual Contributions Contract (ACC) between HHA and HUD expires; or
9. HHA elects to terminate the HAP contract.

HHA may elect to terminate the HAP contract in each of the following situations:

1. Available program funding is not sufficient to support continued assistance for households in the program;
2. The unit does not meet NSPIRE size requirements due to a change in family composition;
3. The unit does not meet NSPIRE;
4. The family breaks up; or
5. The owner breaches the HAP contract.

If HHA terminates the HAP contract, HHA will give the owner and the family written notice. The notice will specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract.

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which HHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return any housing assistance payment received after this period to HHA.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required.

If the family moves out of the unit, HHA may not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

The owner must inform HHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

If the owner has commenced the process to evict the tenant and the family continues to reside in the unit, HHA must continue to make housing assistance payments to the owner in accordance with the HAP contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. HHA may continue such payments until the family moves from, or is evicted from the unit, whichever is earlier.

The owner must inform HHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide HHA with a copy of such judgment or determination. The owner must inform HHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13.7.6 Breach of HAP Contract

Any of the following actions by the owner constitutes a breach of the HAP contract:

1. The owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with NSPIRE;
2. The owner violates any obligation under any other HAP contract under Section 8 of the U.S. Housing Act of 1937;
3. The owner commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
4. Owner non-payment of property taxes;
5. For projects with mortgages insured by HUD or loans made by HUD, if the owner fails to comply with the regulations for the applicable program; or if the owner commits fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
6. The owner engages in drug-related criminal activity; or
7. The owner commits any violent criminal activity.

If HHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

HHA rights and remedies against the owner under the HAP contract include:

1. Recovery of any HAP overpayment;
2. Suspension of housing assistance payments;
3. Abatement of housing assistance payments;

4. Reduction of the housing assistance payment;
5. Termination of the payment; or
6. Termination the HAP contract.

HHA may also obtain additional relief by judicial order or action.

HHA will notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. HHA will provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

13.8 LANDLORD LEASING INCENTIVES

HHA will implement the following policies designed to incentivize and increase landlord participation in the tenant-based HCV program.

MTW Policy

MTW Waiver: 4.c. – Landlord Leasing Incentives

Approval Date: FY 2024

Applicable to: All MTW Tenant-Based Voucher (TBV) assisted households

Description*:*

1. Vacancy Loss

HHA will provide vacancy loss payments to eligible landlords participating in the HCV tenant-based program in order to incentive continued participation in the HCV program. Landlords will be eligible for these payments if: (1) the unit is currently under a Housing Assistance Payments (HAP) contract, (2) the current voucher participant has moved out, (3) the owner has agreed to lease to a new voucher participant, and (4) the housing unit will be vacant for a brief period of time between tenancies.

Payments to landlords will not exceed one month of the contract rent and will be paid to the owner when the next HAP contract is executed between HHA and the landlord.

2. Damage Claims

HHA will provide damage claim payments to eligible landlords participating in the HCV tenant-based program in order to incentive continued participation in the HCV program. Landlords will be eligible for damage claim payments if: (1) the unit is currently under a Housing Assistance Payments (HAP) contract, (2) the current voucher participant has moved out leaving tenant-caused damages to the housing unit, and (3) the owner has agreed to lease to a new voucher participant.

Damage claim payments for tenant-caused damages will not exceed the lesser of the cost of the repairs or two months of contract rent minus the participant's security deposit, if applicable. The voucher participant's security deposit, if applicable, must first be used to cover damages.

Damage claim payments to landlords will be paid to the owner when the next HAP contract is executed between HHA and the landlord.

3. Other Incentives

HHA will provide leasing incentive payments to encourage landlords with housing units in high opportunity areas and other areas where vouchers are difficult to use to participate in the Housing Choice Voucher (HCV) tenant-based program. As of the date of this Administrative Plan, HHA has determined that vouchers are difficult to use throughout HHA's jurisdiction and therefore this incentive will apply city-wide.

Payments to landlords will not exceed one month of the contract rent and will be paid to the owner when the HAP contract is executed between HHA and the landlord.

CHAPTER 14: MOVING WITH CONTINUED ASSISTANCE

14.1 OVERVIEW

Freedom of housing choice is a hallmark of the HCV program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and HHA policies governing moves within HHA's jurisdiction.

See the **PORTABILITY** chapter for policies on moves outside of or into HHA's jurisdiction.

14.2 ALLOWABLE MOVES

HHA will allow families to move under the following circumstances:

1. **Family Termination:** The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise). The family must give the owner a notice of termination in accordance with the lease. If the family terminates the lease on notice to the owner, the family must give HHA a copy of the notice at the same time.
2. **Family and Owner Mutual Termination:** If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give HHA a copy of the termination agreement.
3. **Owner Notice to Vacate:** The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family. The family must give HHA a copy of any owner eviction notice.
4. **VAWA:** The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member. HHA will evaluate each request and determine eligibility to move based on the household's circumstances. See **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**.
5. **HHA Termination Due to Owner Breach:** HHA has terminated the HAP contract for the family's unit for the owner's breach, including owner breach due to inspections-related violations.
6. **Move Due to Unit Size:** HHA determines that the family's current unit does not meet the inspections space standards because of an increase in family size or a change in family composition. In such cases, HHA will issue the family a new voucher, and the family will attempt to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, HHA will terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and will notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which HHA gives notice to the owner.

14.3 RESTRICTIONS ON MOVES

HHA restricts or denies moves under the circumstances outlined below.

14.3.1 Insufficient Funding

HHA may deny a family permission to move either within or outside its jurisdiction if HHA does not have sufficient funding for continued assistance. HHA will follow regulatory requirements related to restrictions on moves due to insufficient funding. HHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

HHA may deny a request to move due to insufficient funding if all of the following applies:

1. The move is to a higher cost unit (for moves within HHA's jurisdiction).
2. The receiving PHA is not absorbing the voucher (applicable only to **PORTABILITY** moves; see **Portability Overview**).
3. HHA would be unable to avoid termination of current participants during the calendar year in order to remain within its budgetary allocation for housing assistance payments.

If HHA approves a family's request to move and then subsequently experiences a funding shortfall, HHA may only rescind the voucher if the family would be allowed to remain in its current unit. If the family cannot remain in the unit (e.g., family has already vacated the unit or family has already notified the owner of their intent to vacate and the owner has re-let the unit to another family) HHA will not rescind the voucher. The family must be allowed to lease a new unit.

HHA will not deny a move for families moving within HHA's jurisdiction (even if the new unit is a higher cost unit) if the family must move from their current unit (e.g., the unit failed NSPIRE, the owner failed to renew the lease).

HHA will create a list of families whose moves have been denied due to insufficient funding. HHA will keep the family's request open indefinitely, and when funds become available, the families on this list will take precedence over families on the waiting list. HHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list.

14.3.2 Restrictions on Elective Moves

HHA will restrict the number of moves by a participant to once per year. HHA's policies regarding moves during the initial lease term and the number of allowable moves in a one-year period apply to moves within HHA's jurisdiction.

1. HHA will deny permission to move if:
    a) The head of household or a member of the household currently owes money to HHA including if an active Tenant Payment Agreement is in place; or
    b) The household is not current with any agreement for tenant payment with HHA;
2. HHA may deny permission to move if:
    a) HHA is administering a Port-in voucher where the head of household or a member of the household currently owes money to another housing authority, including if an active Tenant Payment Agreement is in place, or if the household is not current with any agreement for tenant payment with another housing authority;
    b) The requested move is within the initial term of the lease;

c) The household has had a prior move within the past 12-month period or was issued a voucher for a move and it expired without moving in the past twelve- month period;

d) The household has violated any of its Family Obligations under the HCV Program; or

e) The household claims zero income and cannot demonstrate adequate financial resources to afford the move and related expenses.

HHA will, in appropriate instances, vary the above criteria in accordance with its **Reasonable Accommodation procedures** or **VAWA Emergency Transfer Policy**.

14.4 MOVING PROCESS

14.4.1 Request to Move

If a family wishes to move to a new unit, the family must notify HHA and the owner in writing before moving out of the old unit or terminating the lease on notice to the owner.

If the family wishes to move to a unit outside HHA's jurisdiction, see **PORTABILITY**.

14.4.2 Determination of Eligibility to Move

Upon receipt of a family's notification that it wishes to move, HHA will determine whether the move is approvable in accordance with the regulations and policies set forth in in this Plan.

If the household is approved then HHA will schedule the family for a move briefing appointment, if required.

If the household is denied then they will be notified and given the opportunity to request an informal hearing. See **Informal Hearings – Participants**.

14.4.3 Reexamination of Family Income and Composition

For families approved to move to a new unit within HHA's jurisdiction, HHA will perform a new regular reexamination. The new reexamination effective date will be consistent with the anniversary month of the new lease. HHA will not reverify family information if the last regular reexamination was effective within 120 days from the date of the request to move.

MTW Policy

MTW Waiver: 1.b. – Tiered Rent

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group

Description: If a household moves, HHA will update the payment standard and utility schedule and conduct an Other Change of Unit (50058 action type = 7) to process the move but will not adjust the tiered rent TTP. Tenant rent may changes due to the application of the updated payment standard and utility allowance; however, TTP will not change.

HHA will use current gross income to test for unit affordability. However, if household income has increased since the last action, the households can request a review of updated current income, so the household can afford a unit with higher rent.

HHA will not change the effective date to align with the new lease date after study enrollment.

14.4.4 Voucher Issuance and Briefing

For families approved to move to a new unit within HHA's jurisdiction, HHA will issue a new voucher when the move is approved. At HHA's discretion, a voucher briefing may not be required for these families.

14.5 HOUSING ASSISTANCE PAYMENTS

HHA will not pay any HAP to the owner for any period after:

1. The date on the written lease termination notice, indicating the specific date that the family will vacate the assisted unit;
2. The last day of the month the family vacates the unit; or
3. The effective date of the new lease and HAP Contract the family moved with assistance to a new subsidized unit.

14.5.1 HAP Exceptions

If current program funding allows, and without advanced notice, HHA retains the discretion to adjust its policy at any time to allow or not allow owners to keep the housing assistance payment for any day(s) during the move out month after the date indicated by the household in any written "notice to vacate" and/or subsequent move from the assisted unit.

Earliest Lease Effective Date - Different Property Owner Move

If the HHA policy in effect at the time allows the *current* property owner to keep the HAP for any day(s) during the move out month *after* the household moves from the assisted unit to a unit of a *different* property owner:

1. The earliest effective date of the assisted lease for the new assisted unit and property owner is the day after the move-out date the household indicated in the "written notice to vacate" and/or subsequently moved from the previous assisted unit.

Earliest Lease Effective Date - Same Property Owner Move

1. If the HHA policy in effect at the time allows the current property owner to keep the HAP for any day(s) during the move out month after the household moves from the assisted unit to a unit of that same property owner, and if that property owner elects to keep the HAP to HHA for any day(s) during the move out month after the household moves from one assisted unit to another assisted unit of that same property owner:
    a) The earliest effective date of the assisted lease for the new assisted unit is the first day of the month following the move-out date the household indicated in the

"written notice to vacate" and/or subsequently moved from the previous assisted unit.

2. If the HHA policy in effect at the time allows the current property owner to keep the HAP for any day(s) during the move out month after the household moves from the assisted unit to a unit of that same property owner, and that property owner declines or returns the HAP to HHA for any of those day(s), or if the HHA policy in effect at the time does not allow the current property owner to keep the HAP for any day(s) during the move out month after the household moves from one assisted unit to another assisted unit of that same property owner:

    a) The earliest effective date of the assisted lease for the new assisted unit and property owner is the day after the move-out date the household indicated in the "written notice to vacate" and/or subsequently moved from the previous assisted unit.

14.6 Zero HAP Families Who Wish to Move

A participant who is not receiving any subsidy, but whose HAP contract is still in force, may request a voucher to move to a different unit. However, if no subsidy will be paid at the unit to which the family requests to move, HHA will not enter into a HAP contract on behalf of the family for the new unit.

14.7 Leasing Incentives and Other Mobility Resources

See **Landlord Leasing Incentives** for more information on resources available for households looking to move.

See **Housing Mobility Services** for information on resources and services available for households selected to participate in HHA's Housing Mobility Services program

CHAPTER 15: PORTABILITY

15.1 PORTABILITY OVERVIEW

Within the limitations of applicable requirements included in this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program.

The term portability refers to the process of leasing a dwelling unit with tenant-based voucher assistance outside of the jurisdiction of the PHA that initially issues the family its voucher (the initial PHA). Program regulations covering where a family may move and the responsibilities of the initial PHA and the receiving PHA (the PHA with jurisdiction over the area to which the family moves) are found federal regulations at 24 CFR 982.353 through 982.355.

1. Where port-outs are concerned, HHA is the “initial PHA.”
2. Where port-ins are concerned, HHA is the “receiving PHA.”

The receiving PHA has two options:

1. Administering the family’s voucher for the initial PHA. Under this option, the receiving PHA bills the initial PHA for the family’s housing assistance payments and the fees for administering the family’s voucher; or
2. Absorbing the family into its own program. Under this option, the receiving PHA pays for the family’s assistance out of its own program funds, and the initial PHA has no further relationship with the family.

15.2 PORT-OUTS

A *port-out* is when a current HHA voucher holder wants to move outside of HHA’s area of operation.

15.2.1 Port-Outs in the MTW Tiered Rent Treatment Group

If a household ports out, they are no longer subject to the tiered rent policy regardless of whether the receiving PHA absorbs or administers the household; however, they may still be part of the study data collection.

Returning Study Households – All Groups

If a household completes study enrollment and is randomly assigned to a rent rule group, then ports out or exits the program, and then returns to HHA, they will be served according to their original randomly assigned rent rules group status (regardless of whether they are a billed or absorbed port-in).

HHA will conduct a new income collection and review, set a new tiered rent using current gross income, and establish a new triennial recertification schedule.

15.2.2 Receiving PHA Role

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family.

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used. However, the family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program.

15.2.3 Applicant Families

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in HHA's jurisdiction at the time that the family's initial application for assistance was selected, the family must lease a unit within HHA's jurisdiction for at least 12 months before requesting portability. Exceptions to this policy may be made due to VAWA or Reasonable Accommodation needs.

Additionally, households selected to participate in HHA's Mobility Program (see **Housing Mobility Services** Program) are not subject to this 12-month restriction, and may port-out of HHA's jurisdiction immediately upon approval from HHA.

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area. The family must specify the area to which the family wishes to move.

Income Eligibility

HHA will determine whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, HHA will inform the family that it may not move there and receive voucher assistance.

In determining whether or not to deny an applicant family permission to move under portability because HHA lacks sufficient funding or has grounds for denying assistance to the family, HHA will follow the policies established in the **Insufficient Funding** section.

15.2.4 Participant Families

HHA will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease.

A family, however, is exempt from this prohibition if the family has moved to protect the health or safety of an individual in the family who is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit. All requests will be reviewed and evaluated to determine eligibility for this exception in accordance with HHA's VAWA policies and procedures. See **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**.

HHA will determine whether a participant family may move out of its jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in **Allowable Moves** and will notify the family accordingly.

Income Eligibility

HHA will not redetermine income eligibility when a participant family ports out of its jurisdiction.

Reexamination of Household Income and Composition at Port-Out

A new reexamination of family income and composition is not required for a participant family who is approved to move out of HHA's jurisdiction under portability. However, for a participant family approved to move out of HHA's jurisdiction under portability, HHA generally will conduct a reexamination of family income and composition if the family's regular reexamination is due within 120 days of the date of request to port out.

HHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

15.2.5 Briefing

No formal briefing will be required for a family wishing to move outside of HHA's jurisdiction under portability. However, HHA will provide the family with the same oral explanation of portability that it provides to applicant households selected for admission to the program.

HHA will provide the name, address, and phone of the contact for the PHA(s) in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, HHA will advise the family that the family:

1. Selects the receiving PHA, and
2. Must notify HHA of which receiving PHA was selected.

HHA will further inform the family that if the family prefers not to select the receiving PHA, HHA will select the receiving PHA on behalf of the family. In this case, HHA will not provide the family with information for all receiving PHAs in the area.

HHA will advise the family that they will be under the receiving PHA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment standards.

15.2.6 Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher. In issuing vouchers to applicant households, HHA will follow the policies set forth in **Voucher Issuance** and **Voucher Term**.

When a current participant decides to move outside HHA's area of operation, HHA will issue a new voucher to the family. The initial term of the port-out voucher will be 120 days.

15.2.7 Voucher Extensions and Suspensions

At its discretion, HHA may also opt to extend a voucher under the following circumstances:

1. The initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA;
2. The family decides to return to HHA's jurisdiction and search for a unit; or
3. The family decides to search for a unit in a third PHA's jurisdiction.

In the cases above, HHA's policies on voucher extension and suspensions will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term. See policies on **Voucher Issuance** and **Voucher Term**.

Once the receiving PHA issues the family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must notify HHA of any extensions granted to the term of the voucher; however, HHA must determine if HHA will extend the billing submission deadline.

15.2.8 Preapproval Contact with the Receiving PHA

Prior to approving a family's request to move under portability, HHA will contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher.

If the receiving PHA notifies HHA that it will absorb the voucher, the receiving PHA may not reverse its decision at a later date without HHA's consent.

If the receiving PHA will bill HHA for the portability voucher and the cost of the HAP will increase due to the move, HHA may deny the move if it does not have sufficient funding for continued assistance in accordance with the regulatory requirements.

15.2.9 Initial Contact with the Receiving PHA

After approving a family's request to move under portability, HHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family. HHA will advise the family that they must promptly contact the receiving PHA in order to be informed of and comply with the receiving PHA's procedures for incoming portable households.

15.2.10 Sending Documentation to the Receiving PHA

HHA will send the receiving PHA the following documents:

1. Form HUD-52665, Family Portability Information, with Part I filled out;
2. A copy of the family's voucher;
3. A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058;
4. Copies of the income verifications supporting the form HUD-50058, including a copy of the family's current EIV data.

In addition to these documents, HHA will provide the following information, if available, to the receiving PHA:

1. Social Security numbers (SSNs);
2. Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system;
3. Documentation of legal identity;
4. Documentation of citizenship or eligible immigration status;
5. Documentation of participation in the earned income disallowance (EID) benefit;

6. Documentation of participation in a family self-sufficiency (FSS) program.

HHA will notify the family in writing regarding any information provided to the receiving PHA.

15.2.11 Initial Billing Deadline

If HHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665 (90 days from the expiration date of the initial PHA's voucher), HHA will contact the receiving PHA. If the receiving PHA reports that the family is not yet under HAP contract, HHA will inform the receiving PHA whether it will honor a late billing submission. HHA will send the receiving PHA a written confirmation of its decision.

HHA will honor a late billing submission if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

15.2.12 Monthly Billing Payments

If the receiving PHA is administering the family's voucher, the receiving PHA bills HHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, HHA must promptly reimburse the receiving PHA for the lesser of 80 percent of HHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing HHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill.

HHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after HHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

HHA may not terminate or delay making payments under existing portability billing arrangements as a result of over-leasing or funding shortfalls. HHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs, as well as for families that remain within its jurisdiction.

15.2.13 Change in Billing Amount

The receiving PHA is required to notify HHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

1. A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.);
2. An abatement or subsequent resumption of the HAP payments;
3. Termination of the HAP contract;
4. Payment of a damage/vacancy loss claim for the family; or
5. Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide HHA with advance notice of the change. Under no

circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

15.2.14 Regular Reexamination for Administered Port-Outs

The receiving PHA must send to HHA a copy of a portable family's updated form HUD-50058 after each regular reexamination for the duration of time the receiving PHA is billing HHA on behalf of the family, regardless of whether there is a change in the billing amount. The reexamination and updated billing are due to HHA within 10 business days of the reexamination effective date.

If HHA is being billed on behalf of a portable family, and HHA fails to receive an updated 50058 by the family's regular reexamination date, HHA will contact the receiving PHA to verify the status of the family. HHA will continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. HHA may seek absorption of the vouchers by following steps outlined by HUD.

15.2.15 Denial or Termination of Assistance

If HHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, HHA may act on those grounds at any time.

15.2.16 Subsequent Household Moves

If a receiving PHA is administering a HHA voucher and the family subsequently decides to move out of the receiving PHA's jurisdiction, HHA will issue the family a voucher to move and will send form HUD-52665 and supporting documentation to the new receiving PHA.

15.3 PORT-INS

A port-in is when a participant has a voucher issued from another PHA and has found a unit to lease in HHA's jurisdiction. When a family ports-in and uses a voucher to lease a unit in HHA's jurisdiction, HHA's payment standards will apply.

15.3.1 Receiving PHA's Role

If a family has a right to lease a unit in HHA's jurisdiction under portability, HHA must provide assistance for the family. HUD may determine in certain instances that HHA is not required to accept incoming portable families, such as if HHA is in a declared disaster area. However, HHA must have approval in writing from HUD before refusing any incoming portable families.

Administration of the voucher must be in accordance with HHA's policies. HHA procedures and preferences for selection among eligible applicants do not apply to the family, and the HHA waiting list is not used. The family's unit, or voucher, size is determined in accordance with HHA's subsidy standards, and HHA's policies on extensions of the voucher term apply.

15.3.2 Responding to Initial PHA's Request

HHA will promptly notify the initial PHA whether it will administer or absorb the family's voucher. If HHA informs the initial PHA that it will absorb the voucher, HHA cannot reverse its decision at a later date without the consent of the initial PHA.

15.3.3 Initial Contact with Family

When a family moves into HHA's jurisdiction under portability, the family is responsible for promptly contacting HHA and complying with HHA's procedures for incoming portable families. The family's failure to comply may result in denial or termination of HHA's voucher.

If the voucher issued to the family by the initial PHA has expired, HHA will not process the family's paperwork and will refer the family back to the initial PHA. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any reason HHA refuses to process or provide assistance to a family under the portability procedures, the family will be given the opportunity for an informal review or hearing.

15.3.4 Briefing

At its discretion, HHA may require port-in families to attend a briefing. HHA will provide the family with a briefing packet and inform the family about HHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

15.3.5 Criminal Background Checks

HHA will conduct a criminal background and sex offender registry check on all adult family members who are porting into HHA's jurisdiction. HHA will follow its policies on screening to guide determinations related to criminal background and sex offender registration screening.

15.3.6 Income Eligibility and Reexamination

For any family moving into its jurisdiction under portability, HHA may conduct a new reexamination of family income and composition as needed. HHA will not delay issuing the family a voucher for this reason, nor will HHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and HHA cannot otherwise confirm that the family is income-eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, HHA will rely upon any verifications provided by the initial PHA to the extent that they:

1. Accurately reflect the family's current circumstances, and
2. Were obtained within the last 120 days.

Any new information may be verified by documents provided by the family and adjusted, if necessary, when verification is received.

15.3.7 Voucher Issuance

When a family moves into its jurisdiction under portability, HHA will issue the family a voucher within two weeks based on the paperwork received, provided:

1. The family's paperwork from the initial PHA is complete,
2. The family's voucher from the initial PHA has not expired, and
3. The family complies with HHA's procedures.

15.3.8 Voucher Term

If the initial PHA's voucher expires before HHA issues the portable family a voucher, HHA will contact the initial PHA to determine if it will extend the voucher term. HHA will not issue a voucher to the portable family if the initial PHA voucher term is expired and no extension is authorized by the initial PHA.

Under no circumstances will the term of HHA's voucher expire before 30 calendar days from the expiration date of the initial PHA voucher term.

15.3.9 Voucher Extensions

Once HHA issues a voucher to the port-in household, HHA's policies on **Extensions of Voucher Term** apply. HHA will notify the initial PHA in writing of any extension granted and request an extension to the billing submission deadline. If the initial PHA will not grant an extension to the billing submission deadline, HHA must:

1. Intend to absorb the family into its own program, or
2. Ensure the expiration date would leave sufficient time to process a Request for Tenancy Approval, execute a HAP contract, and deliver the initial billing to the initial PHA by the deadline.

HHA will also consider giving an extension as a reasonable accommodation for a person with a disability.

15.3.10 Voucher Suspensions

If the family submits a Request for Tenancy Approval (RFTA) during the term of HHA's voucher, HHA will suspend the term of that voucher. The term of the voucher stops from the date that the family submits a RFTA until the date HHA notifies the family in writing whether the request has been approved or denied. If the suspension of the term of the voucher will delay the initial billing submission, HHA will notify the initial PHA of the delayed billing in writing before the billing deadline and document that the delay is due to the suspension of the voucher term. If HHA meets these requirements, the initial PHA must extend the billing deadline by 30 days; however, if the initial PHA has not received the portability form within the new 30-day deadline, the initial billing is late, and HHA may be required to absorb the voucher if the initial PHA is unwilling to accept the late submission.

15.3.11 Notifying the Initial PHA

HHA will promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a RFTA for an eligible unit within the term of HHA's voucher. HHA will use Part II of form HUD-52665, Family Portability Information, for this purpose.

If an incoming portable family ultimately decides not to lease in HHA's jurisdiction but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, HHA will refer the family back to the initial PHA. In such a case, the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by HHA's voucher is only valid for the family's search in HHA's jurisdiction.

15.3.12 Initial Billing Deadline

If a portable family's search for a unit is successful and HHA intends to administer the family's voucher, HHA's initial billing notice (Part II of form HUD-52665) will be completed and mailed so that it is received by the initial PHA no later than 90 days following the expiration of the initial PHA's voucher. A copy of the family's form HUD-50058, Family Report, completed by HHA will be attached to the initial billing notice.

If HHA fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless:

1. The initial PHA is willing to accept the late submission; or
2. HUD requires the initial PHA to honor the late submission (e.g., because HHA is over-leased).

15.3.13 Billing Procedure

If administering the port-in voucher, HHA will bill the initial PHA once a month for Housing Assistance Payments (HAPs). The billing cycle for other amounts, including administrative fees and special claims will be once a month. HHA will bill 100 percent of the HAP and the lesser of 80 percent of the initial PHA prorated column B administrative fee rate or 100 percent of HHA's prorated column B administrative fee rate for each unit under HAP contract on the first day of the month for which HHA is billing the initial PHA. Additionally, as provided by HUD, HHA will prorate administrative fees in accordance with any HUD prorations.

HHA will notify the initial PHA of changes in subsidy amounts within 10 business days of any change in the monthly payment.

HHA will update Administrative Fees when and if HUD revises the fees and/or related prorations.

Unless the HHA negotiates a different amount of reimbursement with the initial PHA, the HHA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

15.3.14 Regular Reexamination

HHA will send the initial PHA a copy of a portable family's updated form HUD-50058 after each regular reexamination for the duration of time the HHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

15.3.15 Change in Billing Amount

HHA will notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

1. A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
2. An abatement or subsequent resumption of the HAP payments;
3. Termination of the HAP contract;
4. Payment of a damage/vacancy loss claim for the family; and/or
5. Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

If HHA fails to send Form HUD-52665 within 10 business days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

15.3.16 Late Payments

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, HHA will promptly notify the initial PHA in writing (and in accordance with HUD requirements) of the deficiency. HHA will send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA.

If the initial PHA fails to correct the problem by the second month following the notification, HHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the voucher in question. A copy of the initial notification and any subsequent correspondence between PHAs on the matter must be attached. HHA will send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to HHA.

15.3.17 Overpayments

In all cases where HHA has received billing payments for billing arrangements no longer in effect, HHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

15.3.18 Denial or Termination of Assistance

At any time, HHA may make a determination to deny or terminate assistance to a portable family for family action or inaction consistent with the denial and termination policies in this Plan.

If HHA elects to deny or terminate assistance for a portable family, HHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. HHA will furnish the initial PHA with a copy of the review or hearing decision, where applicable.

15.3.19 Absorbing a Portable Family

HHA may absorb an incoming portable family into its own program when HHA executes a HAP contract on behalf of the family or at any time thereafter providing that:

1. HHA has funding available under its annual contributions contract (ACC), and
2. Absorbing the family will not result in over leasing**.**

If HHA notifies the initial PHA that it will absorb the voucher, it cannot reverse its decision at a later date without consent of the initial PHA.

If HHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, HHA will notify the initial PHA upon receipt of the portability paperwork. The effective date of the HAP contract will be the effective date of the absorption.

If HHA decides to absorb a family after administering the voucher, HHA will provide the initial PHA with 30 days advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

When a portable family is absorbed by HHA, the family will be subject to HHA policies.

15.4 SPECIAL PURPOSE VOUCHERS AND PORTABILITY

HHA will administer special purpose vouchers (e.g., VASH, EHV, etc.) in accordance with HUD-established policy in cases where HUD has established alternative program requirements of such special purpose vouchers.

HHA will use the codes for the special purpose vouchers on the 50058 and continue to use such codes while HHA is administering a portable voucher.

CHAPTER 16: REEXAMINATIONS AND CONTINUED OCCUPANCY

16.1 OVERVIEW

HHA periodically reexamines each family's income and composition and adjusts the family's level of assistance accordingly. Interim reexaminations may also be needed in certain situations. This chapter discusses regular (i.e., annual or triennial) and interim reexaminations and the recalculation of family share and subsidy that occurs as a result.

16.2 GENERAL REQUIREMENTS

16.2.1 Requirements for Continued Occupancy

In order for the family to be eligible for continued occupancy, they must:

1. Qualify as a household as defined in this policy;
2. Maintain full compliance with the family obligations and responsibilities and not commit any serious or repeated violation of the lease;
3. Supply any information that HHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status;
4. Meet HUD standards on citizenship or immigration status or pay a prorated rent;
5. Upon implementation of HOTMA: comply with the **Asset Restrictions** (see also **Termination of Assistance – Recertifying Households**);
6. Supply any information that HHA or HUD determines to be necessary for use in a regularly schedule reexamination or interim reexamination of family income and composition, and that information must be true and complete;
7. Disclose and verify Social Security numbers and sign and submit consent forms for obtaining information or have certifications on file indicating that they are not eligible to receive a Social Security number;
8. Use the assisted unit for residence by the family and as the family's only residence;
9. Allow HHA to inspect the unit at reasonable times and after reasonable notice;
10. Be responsible for any NSPIRE breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest;
11. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease;
12. Promptly notify HHA in writing of the birth, adoption, or court-awarded custody of a child, and request HHA approval to add any other household members as occupants of the unit. HHA's approval of such additions is subject to the household composition requirements;
13. Promptly notify HHA in writing if any household member no longer lives in the unit.

14. Comply with lease requirements regarding notification to HHA and the owner before moving out of the unit or terminating the lease;
15. Never sub-lease or sub-let the unit, and never assign the lease or transfer the unit;
16. Supply any information requested by HHA to verify that the family is living in the unit or information related to family absence from the unit;
17. Promptly notify HHA when the family is absent from the unit;
18. Promptly give HHA a copy of any owner eviction notice;
19. Never commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
20. Never engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
21. Not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
22. Not own or have any interest in the unit (other than in a cooperative and owners of a manufactured home leasing a manufactured home space); and
23. Not receive HCV program assistance while residing in a unit owned by a spouse, parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HHA has determined (and has notified the owner and the household of such determination) that approving rental of the unit, notwithstanding such relationship, would provide a reasonable accommodation for a household member who is a person with a disability.

16.2.2 Notice to Ineligible Households

HHA will provide prompt written notice of a decision that the household has been determined to be ineligible for continued program participation. The written notice will contain a statement of the reason for the ineligible decision. The notice will include information related to requesting an **Informal Hearing** in the event that the tenant does not agree with the determination.

16.2.3 Time Frames for Reporting Changes Required by Family Obligations

Unless otherwise noted, when family obligations require the family to respond to a request or notify HHA of a change, notifying HHA of the request or change in writing within 15 calendar days is considered proper notice.

16.2.4 Discrepancies

During a regular or interim reexamination, HHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. See **PROGRAM INTEGRITY**.

In addition, HHA may discover errors made by HHA. When errors resulting in the overpayment or underpayment of rent are discovered, HHA will make corrections to the rent.

16.3 REGULAR REEXAMINATIONS

HHA will periodically conduct a reexamination of family income and composition. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent will be recalculated.

16.3.1 Frequency of Regular Reexaminations

The required frequency of a household's regular reexamination varies according to the program and household type. Generally the recertification frequency is as follows:

1. **MTW Tiered Rent Treatment Group:** Triennial (every three years)
2. **MTW Excluded Group:** Approved for triennial recertification frequency and plan to implement beginning in FY 2025.
3. **MTW Control Group:** Annual
4. **Non-MTW and Special Purpose Vouchers**: Annual

MTW Policy

MTW Waiver: 3.b. – Alternative Reexamination Schedule for Households (HCV)

Approval Date: FY 2022

Applicable to: MTW Tiered Rent Treatment Group and MTW Excluded Group*

**Approved for MTW Excluded Group and plan to implement beginning in FY 2025*

Description: This activity allows HHA to establish an alternative reexamination schedule wherein regular recertifications are conducted at least once every three years (triennial recertifications).

Phase-In for MTW Excluded Group: HHA will phase in the triennial recertification frequency over a three-year period for the excluded group. During the first year, one third of families in the excluded group will complete a recertification. During years two and three, one third of remaining families in the excluded group will complete a recertification so that all families will be on a triennial recertification frequency by the end of year three. Families will be selected randomly to determine their initial phase-in year.

16.3.2 Scheduling Reexaminations

Generally, HHA will begin the regular reexamination process 90-120 days in advance of its scheduled effective date. Notification of the regular reexamination process will be sent via mail or email and will contain information on documentation requirements and due dates.

If the family moves to a new unit, HHA will perform a new regular reexamination and establish a reexamination anniversary date consistent with the new lease effective date.

HHA also may schedule a regular reexamination for completion prior to the anniversary date for administrative purposes.

16.3.3 Participation in the Regular Reexamination Process

Families may be required to participate in a regular reexamination interview, at the discretion of HHA. HHA may require all adult household members attend the recertification interview if an interview is required. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact HHA to request a reasonable accommodation.

The family will receive a first notice requesting completion and submission of the recertification. If the family fails to respond, a second notice will be issued along with a Notice of Termination. Failure to provide the required information, as determined necessary by the HHA for program administration, constitutes non-compliance under 24 CFR § 982.552(c)(1)(i).

If there is no response to the second notice and no request for an informal hearing is received, the HHA will proceed with processing the End of Participation.

As part of the regular reexamination process, families are required to provide updated information to HHA regarding the family's income, expenses, and composition. If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination.

An advocate, interpreter, or other assistant may assist the family in the recertification process.

16.3.4 Determining Ongoing Eligibility of Certain Students

During the regular reexamination process, HHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents.

Students who reside with parents in an HCV-assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

If a student enrolled in an institution of higher education meets the qualifications outlined in the policies on **Students Enrolled in Institutions of Higher Education**, the student's income eligibility is examined alone; however if the student does not meet the qualifications of the policies identified above, the students eligibility must be reexamined along with the income eligibility of the student's parents at the time of regular reexamination.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), HHA will process a reexamination in accordance with the policies in this chapter.

16.3.5 Calculating Annual Income at Regular Reexamination

See **Determining Income at Regular Recertifications** for information on how to verify and calculate income of the family at regular recertification. Policies may differ according to program/voucher type (i.e., if the household is in the MTW Tiered Rent Treatment Group, MTW Control Group, or MTW Excluded Group, or has a non-MTW voucher) and type of transaction.

16.3.6 Effective Dates

Increase in Family Share of Rent

In general, an *increase* in the family share of the rent that results from a regular reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

- If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.
- If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.
- If HHA chooses to schedule a regular reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HHA, but will always allow for the 30-day notice period.
- If the family causes a delay in processing the regular reexamination, *increases* in the family share of the rent will be applied retroactively to the scheduled effective date of the regular reexamination. The family will be responsible for any overpaid subsidy and may be offered a tenant payment agreement in accordance with the policies in **Tenant Payment Agreements**.

Decrease in Family Share of Rent

In general, a *decrease* in the family share of the rent that results from a regular reexamination will take effect on the family's anniversary date.

- If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.
- If HHA chooses to schedule a regular reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by HHA.
- If the family causes a delay in processing the regular reexamination, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by HHA by the date specified, and this delay prevents HHA from completing the reexamination as scheduled.

16.4 CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

16.4.1 Reporting

The family is required to report all changes in family composition within 15 calendar days from the date of the change. HHA will conduct interim reexaminations to account for any changes in household composition that occur between regular recertifications.

Failure to timely report changes in household composition may result in a termination from the program, retroactive rent increase, and/or a tenant payment agreement.

16.4.2 Addition of a Family Member

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require prior HHA approval; however, the family must inform HHA of the birth, adoption, or court-awarded custody of a child within 15 calendar days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, families must request HHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days in a 12-month period or 30 cumulative days within a 12-month period and therefore no longer qualifies as a *guest* (see **Guests**). Requests must be made in writing and approved by HHA prior to the individual moving into the unit.

HHA will follow the policies below regarding changes in household composition.

1. HHA will not approve the addition of a family member outside of birth, adoption, court-ordered custody, marriage, interdependent relationship and live-in aide if such addition results in the need for a change in unit size. Additionally, HHA will not approve the addition of a new family or household member unless the individual meets HHA's eligibility criteria and documentation requirements.
2. HHA will not approve the addition of a foster child or foster adult if it will result in a larger unit size per HHA occupancy standards.
3. Before persons age 18 or older will be added to the family, they will be subject to the same criminal history screening used for all applicants.
4. Additional household members must be authorized by HHA and approved by the owner through an amendment to the lease agreement.
5. Failure on the part of the owner to approve an additional household member to the assisted unit does not constitute automatic grounds for termination of the lease agreement or automatic grounds for HHA to issue a new voucher to the family to facilitate moving to another unit. Instead, it means that addition of the requested family member is a lease violation and may subject the family to termination of assistance.
6. If HHA determines that an individual does not meet HHA's eligibility criteria or documentation requirements, HHA will timely notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

16.4.3 Removal of a Family or Household Member

Families must promptly notify HHA if any family member no longer lives in the unit. Because household members are considered when determining the family voucher size, HHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

If a family member or household member ceases to reside in the unit, the family must inform HHA within 15 calendar days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

All requests to remove a household member must be accompanied by supporting documentation that the member that the family seeks to remove has another verifiable address. Examples of such documentation could include utility bills in the name of the subject, canceled checks verifying payment of rent, driver's license indicating an address at a location corresponding to the utility billing or lease, or lease agreement in his/her name at another location.

A household member who has been removed from the household at the family's request may generally not be re-added to the household until the next regular recertification. However, HHA may make exceptions to this policy on a case-by-case basis. When re-adding a household member the individual will be subject to HHA's eligibility and screening requirements and HHA policies on changes in household composition, and must be re-approved by HHA.

16.4.4 Return of Permanently Absent Family Member

The family must request HHA approval for the return of any adult family members that HHA previously determined to be permanently absent. The individual is subject to HHA's eligibility and screening requirements and HHA policies on changes in household composition.

16.5 Interim Reexaminations

Family circumstances may change between regular reexaminations. HUD and HHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances HHA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. HHA will conduct any interim reexamination within a reasonable period of time after the family request or when HHA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations, provided all necessary supporting documentation is provided timely.

Interim reexaminations for changes in income or expenses may be scheduled either because HHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

HHA will estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination. See **Determining Income at Interims**.

16.5.1 Interim Decreases

Households experiencing decreases in income or increases in expenses between regular recertifications may be eligible for an interim reexamination, according to the policies below:

1. **MTW Excluded Group, MTW Control Group, and Non-MTW Households:**

   A family may request an interim determination of family income for any change since the last determination. HHA will perform an interim reexamination for any decrease in adjusted income.

2. **MTW Tiered Rent Treatment Group:**

> ***MTW Policy***
>
> **MTW Waiver:** 3.b. – Alternative Reexamination Schedule for Households
>
> **Approval Date:** FY 2022
>
> **Applicable to:** MTW Tiered Rent Treatment Group
>
> **Description:** Households in the MTW Tiered Rent Treatment Group are recertified on a triennial basis with no interim recertifications (unless caused by changes to household composition).
>
> However, these households may be eligible to apply for an income decrease or other hardship pursuant to HHA's **MTW Hardships** policies.

16.5.2 Interim Increases

1. **MTW Excluded Group, MTW Control Group and Non-MTW Households**

   a) **Zero Income Households**: zero income households are required to report any increase in any type of income, including cash and non-cash contributions, between regular recertifications. HHA will conduct an interim recertification and increase in rent for zero income families when income is received. HHA will require households to complete a zero income questionnaire and will run an EIV income report every 180 days for families reporting zero income and will take appropriate action for unreported income.

   b) **Increases in Earned Income:** other than zero income households, when a family reports an increase in their earned income between regular reexaminations, HHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last regular reexamination.

      FSS households may voluntarily request that HHA conduct an interim for increases in earned income in order to recalculate escrow.

   c) **Increases in Unearned Income:** HHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.

   d) **Cumulative Increases:** a series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10 percent increase threshold, at which point HHA will conduct an interim reexamination in accordance with HHA policy.

   e) **Increases in Income Within 3 Months of the Regular Reexamination:** HHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their regular reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases.

2. **MTW Tiered Rent Treatment Group**

MTW Policy
MTW Waiver: 1.b. – Tiered Rent
Approval Date: FY 2022
Applicable to: MTW Tiered Rent Treatment Group
Description: Income increases between regular recertifications do not need to be reported and will not result in rent increases between recertifications.

16.5.3 Effective Dates

In general, an *increase* in the family share of the rent will require at least 30 days advance notice to the household. However, if changes are not reported timely and/or if proper documentation is not provided as requested by HHA within required timeframes then changes may be applied retroactively or without 30 days advance notice.

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent *decrease*, HHA will apply the decrease the first of the month following completion of the interim reexamination.

However, HHA may apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to HHA management operations. HHA may decide to apply decreases retroactively on a case-by-case basis.

When HHA applies the results of interim decreases retroactively, HHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a tenant payment agreement in accordance with HHA policies. HHA will also clearly communicate the effect of the retroactive adjustment to the owner.

16.6 Recalculating Family Share and Subsidy Amount

After gathering and verifying required information for a regular or interim reexamination, HHA will recalculate the family share of the rent and the subsidy amount, if required, and will notify the family and owner of the changes.

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in HHA's calculations.

Policies may differ according to whether the household is in the MTW Tiered Rent Treatment Group, MTW Excluded Group, MTW Control group, or has a non-MTW voucher; in addition to what type of transaction is being completed (i.e. regular recertification or interim recertification). See the following sections in the **PAYMENT STANDARDS AND UTILITY ALLOWANCES** chapter for information about how and when to update payment standards, subsidy standards, and/or utility allowances when recalculating tenant rent and subsidy amounts.

- **Applying Payment Standards**
- **Changes in Family Voucher Size**

- **Applying Utility Allowances**

HHA will notify the owner and family of any changes in the amount of the HAP payment within required timeframes.

16.7 NON-INTERIM REEXAMINATION TRANSACTIONS

Note: the following section is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104) and implementation of the HIP system. Prior to implementation, the following does not apply.

Families may experience changes within the household that do not trigger an interim reexamination under HHA policy and HUD regulations but which HHA must still report to HUD via form HUD-50058. These are known as non-interim reexamination transactions. In these cases, HHA will submit a separate, new action code on form HUD-50058. The following is a list of non-interim reexamination transactions:

1. Adding or removing a hardship exemption for the child care expense deduction;
2. Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first)(the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after implementation of HOTMA);
3. Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction
4. Adding or removing a minimum rent hardship;
5. Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
6. Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12- month EID period.
7. Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
8. Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
9. Adding/updating a family or household member's Social Security number; and
10. Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

HHA will make all other changes to assets, income, and deductions at the next regular or interim reexamination, as applicable.

16.8 Other Continued Occupancy Polices

16.8.1 Absence from the Unit

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

The family must promptly notify HHA when all family members will be absent from the unit for an extended period. An *extended period* is defined as any period greater than 30 calendar days. In such a case, promptly means within 15 calendar days of the start of the extended absence.

If a family is absent from the assisted unit for more than 180 consecutive days, and the family does not adequately verify that they are living in the unit, HHA will terminate the lease for other good cause.

HHA may review on a case-by-case basis, circumstances which dictate a household's absence from the unit. Each household member must physically occupy the unit as their sole place of residence, and not be absent for 180 consecutive days during any 12-month period unless good cause is shown for a longer absence. Good cause for extended absences include, but is not limited to:

1. Involuntary absence due to illness;
2. Absence of a household member who is a full-time student;
3. Children temporarily away due to placement in foster care; or
4. Military service (see policy on **Military Families – Absence from the Unit and Continued Occupancy**).

The head of household must notify HHA and remove any household member from the lease who is absent from the unit without cause for more than 180 consecutive days.

1. Extended absence for more than 180 consecutive days during any 12-month period due to incarceration is not considered good cause.
2. To verify family occupancy or absence, HHA may send request letters to the family at the unit, make phone calls or visits, send emails, schedule special inspections, and/or conduct other appropriate inquiries.
3. The family must remain in compliance with the terms of the public housing program and their lease during any absence from the unit.
4. HHA will consider mitigating circumstances when determining good cause for an extended absence.

16.8.2 Military Families – Absence from the Unit and Continued Occupancy

On a case-by-case basis, HHA will make reasonable exceptions to program requirements for active duty military families, to the extent HHA can do so while responsibly administering the public housing program.

These exceptions will be granted at HHA's sole discretion, and should be primarily granted with respect to program requirements impacted by household members who are temporarily absent from their unit due to their active duty.

Exceptions must be approved by the Executive Director or their designee. Households who cannot adhere to basic program requirements without the active military person present will not be granted exceptions.

Exceptions related to military families may include, but are not limited to:

1. Allowing a suitable guardian to move into the unit on a temporary basis to care for any dependents that the military person leaves in the unit. Income of the guardian temporarily living in the unit solely for this purpose is not to be counted in determining household income and rent;
2. Carefully considering the circumstances of any case involving delayed payment of rent by the household;
3. Granting exceptions to policies concerning family absences from the unit;
4. Using provisional documents and income information to complete a reexamination and then conducting an interim reexamination when the military personnel's information is available.

16.8.3 Family Break-Up and Remaining Members

Resident families who separate while being assisted under the HCV program will be assessed on a case-by-case basis to determine which family members remain assisted under the program. HHA policy is as follows:

1. The head of household, co-head or remaining family member of the household who has full legal custody of any minor children in the unit will retain the use of the voucher.
2. In cases where the head of household and co-head have a joint custody arrangement for minor children, the original head of household will retain the use of the voucher.
3. In cases where the head of household dies, leaving minor children, the new head of household will be subject to all HHA eligibility and admission requirements.
4. HHA may allow a guardian or caretaker to temporarily reside in the unit. If the guardian or caretaker applies to become the new head of household, they must meet the eligibility requirements as set forth in this Plan. HHA will allow a temporary guardian or caretaker to remain in the unit for up to 90 days.
5. In cases where there is a head of household and a co-head with no minor children, the original head of household will retain the use of the voucher, unless another consideration listed here is a factor.
6. In the event that the head of household moves out of the assisted unit or dies, a remaining adult family member (with or without children in the unit) may retain use of the voucher if that adult has been part of the household since admission or if they were added to the household, have lived in the unit for at least 6 months after approval by HHA to do so; are

in compliance with all program rules and regulations; and meet all other program eligibility and continued occupancy requirements.

7. In cases where a live-in aide is added to a household as a result of a care situation for an elderly or disabled household member, the live-in aide is not considered to be a remaining family member (even if related) and is not eligible to retain the use of the voucher.
8. Foster children and foster adults are never considered remaining family members and have no rights to the voucher when and if the head of household or co-head moves out of the unit, is evicted or is deceased.
9. If a separation is the result of a divorce or separation under a settlement or judicial decree, HHA will follow any court determination of which family members retain the federally assisted unit.
10. In order for a minor to continue to receive assistance as a remaining family member, the court has to have awarded emancipated minor status to the minor or HHA has to verify 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 of time.
11. If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, HHA will ensure that the victim remains on the program.
12. For any family members who are elderly or disabled, HHA will take into consideration where they will reside after the break-up.
13. If exceptional circumstances exist concerning the remaining member of a tenant family, a discretionary administrative determination may be made by the HCV program designee on a case-by-case basis.

HHA may deny head of household status if there was either an action to terminate the participation of the former head of household, or there was an eviction action by the owner begun prior to the former head of household's departure. HHA may decide not to accept a new head of household and continue with the action to terminate participation.

16.8.4 Guests and Unauthorized Occupants

See policy on **Guests**.

Participant households are not permitted to allow roomers or boarders to occupy their unit, or to sublet their unit. Violation of this provision is grounds for termination of participation.

Persons not on the lease who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence represents a violation of program requirements.

16.8.5 Prohibition Against Sub-Leasing and Short-Term Rentals

Participant households are not permitted to sub-lease or sub-let their HCV-assisted unit and must never assign the lease or transfer the unit to another party. Additionally, participants are not permitted to utilize their unit for short-term rentals (e.g., Airbnb).

CHAPTER 17: PAYMENT STANDARDS AND UTILITY ALLOWANCES

17.1 PAYMENT STANDARDS

17.1.1 Overview

The payment standard sets the maximum subsidy payment a family can receive from HHA each month. HHA's payment standards are based on either metropolitan area Fair Market Rents (FMRs) or Small Area Fair Market Rents (SAFMRs) published annually by HUD; however, HHA does not utilize SAFMRs for the Project-Based Voucher program.

MTW Policy

MTW Waiver: 2.a. – Payment Standards – Small Area Fair Market Rents (SAFMR)

Approval Date: FY 2022

Applicable to: All MTW Tenant-Based households

Description: HHA will utilize Small Area Fair Market Rents (SAFMR) to establish payment standards for the HCV program city-wide.

In lieu of establishing a unique payment standard for each zip code area, HHA may establish payment standards between 80-150% of the SAFMR for one or more groups of zip code areas.

HHA may establish payment standards for individual zip codes or "grouped" zip codes. When and if grouped zip codes are established, HHA will ensure that within grouped zip codes, payment standards are within 80 percent and 150 percent of the published SAFMR for each zip code in the group.

In addition, HHA may establish a payment standard schedule that is specific to Mobility Program participants (see **Mobility Program - Administrative Policies**) and other special purpose voucher programs in order to improve utilization and leasing outcomes for these programs.

Payment standards for all programs will be established within the 80-150% SAFMR range and will be reevaluated on an annual basis and/or as needed.

17.1.2 Updating Payment Standards

HHA will review the appropriateness of the payment standards on an annual basis when the new FMRs/SAFMRs are published, and at other times as determined necessary.

HHA may consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

1. Funding availability;
2. Rent burden of participating families;
3. Quality of units selected;

4. Frequency and amount of changes in rent to owner;
5. Unit availability; and
6. Lease-up time and success rate.

17.1.3 Insufficient Funding

In the event of an actual or projected funding shortfall, HHA may modify its payment standards and/or payment standard schedule including whether to base payment standards on FMRs or SAFMRs.

17.1.4 Changes in Payment Standards

HHA typically updates its payment standards on an annual basis in concert with updates to the FMRs/SAMFRs. However, HHA reserves the right to modify payment standards at other times to support leasing goals and in response to market conditions.

When HHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance the policies in this Plan.

If HHA has already processed recertifications that will be effective on or after the effective date of the new payment standard, HHA will not make retroactive payment standard adjustments for any such recertifications.

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Decreases

If the payment standard amount has decreased, during the term of a HAP contract, HHA will not immediately reduce the payment standard as the HAP contract remains in effect. HHA will apply the decreased payment standard at the family's second regular reexamination following the change.

Increases

If the payment standard amount is increased during the term of the HAP contract, HHA will use the increased payment standard amount to calculate the monthly housing assistance payment for the family beginning no later than the earliest of:

- The effective date of an increase in the gross rent that would result in an increase in the family share;
- The family's first regular or interim reexamination; or
- One year following the effective date of the increase in the payment standard amount.

See MTW policies on **Applying Payment Standards at Interim Reexamination** for information on when payment standards may be updated during interim reexaminations for households on triennial recertifications.

17.1.5 Applying Payment Standards

HHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. The payment standard for a family is the lower of:

1. The payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under HHA's subsidy standards; or
2. The payment standard for the size of the dwelling unit rented by the family.

The payment standard for a Single Room Occupancy (SRO) unit is 75% of the zero-bedroom payment standard.

Applying Payment Standards at Regular Recertification

At regular reexaminations, HHA will apply the Applicable Payment Standard (APS), which is the lower of the authorized voucher size or unit size, unless the APS has decreased (see **Changes in Payment Standards**) in which case HHA will apply the decreased payment standard at the family's second regular reexamination following the change.

Applying Payment Standards at Interim Reexamination

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

However, exceptions may apply at interim reexaminations for certain MTW households, according to the MTW group and the type of interim transaction.

1. **Non-MTW Households and MTW Control Group:** If the payment standard amount is increased during the term of the HAP contract, HHA will use the increased payment standard amount to calculate the monthly housing assistance payment for the family beginning no later than the earliest of:
    a) The effective date of an increase in the gross rent that would result in an increase in the family share;
    b) The family's first regular or interim reexamination; or
    c) One year following the effective date of the increase in the payment standard amount.
2. **MTW Tiered Rent Treatment Group:** if a household on a triennial reexamination cycle has an interim increase in contract rent in which the new approved gross rent exceeds the prior effective payment standard, then the payment standard will be updated to the current applicable payment standard at the time of the interim reexamination.

    Other than as noted above, HHA will not process a recertification for increases in the payment standard amount that occur during the HAP contract term between regular recertifications.
3. **MTW Excluded Group – upon implementation of triennial reexaminations:** if a household on a triennial reexamination cycle has an interim increase in contract rent in which the new approved gross rent exceeds the prior effective payment standard, then

the payment standard will be updated to the current applicable payment standard at the time of the interim reexamination.

Other than as noted above, HHA will not process a recertification for increases in the payment standard amount that occur during the HAP contract term between regular recertifications.

17.1.6 Changes in Family Voucher Size

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

See **Determining Family Voucher Size** and **Changes in Family and Household Composition**.

17.1.7 Exception Payment Standards

There are several options available to increase payment standards above the basic range. These are known as *exception payment standards*, which are payment standards that exceed 110 percent of the published FMR. See PIH Notice 2024-34 for more information.

Please note that HHA will not apply exception payment standards, using SAFMRs, to the PBV program.

The following are types of exception payment standards:

1. **Payment standards based on SAFMRs in ZIP codes where the SAFMR is higher than the applicable metropolitan or non-metropolitan county FMR:**

   Note: HHA is currently utilizing SAFMRs; however, the following may be applicable if HHA does not utilize SAFMRs in the future.

   a. If HHA is not utilizing SAFMRs to establish its payment standards then, upon notification to HUD, HHA may establish an exception payment standard for a ZIP code area that exceeds the basic range for the metropolitan area or county FMR of up to and including 110 percent of the SAFMR for that ZIP code area. If an exception area crosses one or more FMR boundaries, then the maximum exception payment standard amount that HHA may adopt for the area without HUD approval is 110 percent of the ZIP code area with the lowest SAFMR amount. If HHA adopts an exception payment standard pursuant to this authority then the exception payment standard will apply to the entire ZIP code area.

2. **Payment standards greater than 110 percent up to 120 percent of the applicable FMR:**

   Upon notification to HUD, HHA may establish exception payment standards between 110 percent and 120 percent of the applicable FMR if HHA meets one of the following criteria:

   a. Success rate: Fewer than 75 percent of families to which HHA has issued tenant-based vouchers during the most recent 12-month period for which there is success rate data available have become participants on the program; or

   b. Rent burden: More than 40 percent of families with tenant-based assistance pay more than 30 percent of their adjusted income as their family share.

HHA may revert back to the basic range at any time without notification to HUD.

HHA may combine exception payment standards based on the SAFMR and exception payment standards greater than 110 and up to 120 percent.

3. **Payment standards over 120 percent of the applicable FMR:**

   HHA may request approval from HUD to establish an exception payment standard amount that exceeds the basic range of the applicable FMR under 24 CFR 982.503(d)(4).

4. **Payment standards necessary as a reasonable accommodation:**

   If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, HHA may establish a higher payment standard for the family of not more than 120 percent of the applicable published FMR (or in the case of VASH, up to 140% of the FMR), as long as the rent is reasonable.

5. **Other Exception Payment Standards:**

   HHA may request HUD approval to establish exception payment standards up to 120 percent of the FMR when the above criteria do not apply or in order to establish exception payment standards that exceed 120 percent of the FMR. Requests may be made for an entire FMR area or a designated part of the FMR area.

6. **Veterans Affairs Supportive Housing (HUD-VASH) exception payment standards**

   HHA may establish a separate exception payment standard applicable to HUD-VASH participants. HHA may establish payment standards up to 120% of FMR or SAFMR for this program.

   HHA may request HUD approval to establish exception payment standards over 120% for the HUD-VASH program.

   HHA may also establish an exception payment standard up to 140% of the published FMR or SAFMR as an approved reasonable accommodation for a HUD-VASH family that includes a person with a disability.

   HHA may request HUD approval to use a payment standard that is greater than 140% of FMR or SAFMR as an approved reasonable accommodation for a HUD-VASH family that includes a person with a disability.

   Exception payment standards implemented by HHA under this section may also apply in determining rents for PBV projects only when the project is comprised solely of units exclusively made available to HUD-VASH families, and at HHA's discretion. Contract rents established for the project may not be different based on whether the unit is a HUD-VASH PBV unit or a non-HUD-VASH PBV unit.

17.2 UTILITY ALLOWANCES

17.2.1 Utility Allowance Schedule

HHA's established utility allowance schedule is used in determining family share and HHA subsidy. HHA will maintain a utility allowance (UA) schedule for:

- All tenant-paid utilities,

- The cost of tenant-supplied refrigerators and ranges, and
- Other tenant-paid housing services such as trash collection.

The utility allowance will include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, HHA will classify utilities and other housing services according to the following general categories: heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

A family's utility allowance is determined by the lower of the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using HHA subsidy standards.

17.2.2 Applying Utility Allowances

Applying Utility Allowances at Regular Recertification

At regular reexaminations, HHA will apply the applicable utility allowance, which is the lower of the authorized voucher size or unit size.

Applying Utility Allowances at Interim Reexamination

Families requiring or requesting interim reexaminations will not have the updated utility allowance applied until their next regular recertification.

17.2.3 Changes in Utility Allowances

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in HHA's utility allowance schedule.

When there are changes in the utility arrangement with the owner, HHA will use the utility allowances in effect at the time the new lease and HAP contract are executed.

17.2.4 Utility Allowance Schedule Revisions

At least once per year, HHA will review current utility rates to determine if there has been a change of 10 percent or more. If so, the new rates will be applied and a new UA schedule will be implemented.

HHA will maintain information supporting its periodic review of utility allowance and any revisions made in its utility allowance schedule.

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted. If HHA has already processed recertifications that will be effective on or after the effective date of the new utility allowance schedule, HHA will not make retroactive utility allowance adjustments for any such recertifications.

CHAPTER 18: TERMINATION OF ASSISTANCE AND TENANCY

18.1 OVERVIEW

This chapter includes the policies on termination of assistance. It includes the reasons for which HHA can terminate assistance, and the ways in which such terminations must take place.

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 (HAP) under an outstanding HAP contract.
3. Refusing to process or provide assistance under portability procedures.

18.2 FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may voluntarily choose to terminate their participation at any time. The request must be in writing with the effective date and signed by the head of household and spouse or co-head, if applicable.

18.3 MANDATORY TERMINATION OF ASSISTANCE

HHA will terminate assistance in the circumstances outlined below.

1. **Zero HAP.** If the amount of assistance provided by HHA is reduced to zero, the family's HAP contract automatically terminates 180 days after the last HAP payment, and HHA will send a notice terminating the family's assistance. If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify HHA of the change and request an interim reexamination before the expiration of the 180-day period.
2. **Eviction.** HHA will terminate participation whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease.
    a) A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not the physical enforcement was necessary.
    b) If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases HHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures.
    c) *Serious and repeated lease violations* will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not construed as serious or repeated violations of the lease by the victim or threatened victim.

3. **Failure to Provide Consent.** HHA will terminate assistance if any family member fails to sign and submit any consent form that they are required to sign for a reexamination. See the section on **Family Consent to Release of Information** for a complete discussion of consent requirements.

4. **Failure to Document Citizenship.** HHA will terminate assistance if:

    a) A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;

    b) A family submits evidence of citizenship and eligible immigration status in a timely manner, but the United States Citizenship and Immigration Services' (USCIS) primary and secondary verification do not verify eligible immigration status of the family; or

    c) A family member, as determined by HHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

5. **Failure to Disclose and Document Social Security Numbers.** HHA will terminate assistance if any household member fails to disclose the complete and accurate Social Security numbers of each household member and the documentation necessary to verify each Social Security number.

    HHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

    See **Social Security Numbers** for additional information on providing SSNs.

6. **Methamphetamine Manufacture or Production.** HHA will terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

7. **Lifetime Registered Sex Offenders.** Should HHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, HHA will immediately terminate assistance for the household member.

    For admissions before June 25, 2001, there is currently no HUD statutory or regulatory basis to evict or terminate the assistance of the family solely on the basis of a household member's sex offender registration status.

    For current participants, should HHA discover that a member of an assisted household has subsequently become subject to a lifetime registration requirement during the course of their participation in the HCV program, HHA will immediately terminate assistance for the household member.

HHA may offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, HHA will terminate assistance for the household.

8. **Failure of Students to Meet Ongoing Eligibility Requirements.** If a student enrolled at an institution of higher education (see **Students Enrolled in Institutions of Higher Education**) is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with their parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, HHA will terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

   If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and HHA policies or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

9. **Death of the Sole Family Member.** HHA will immediately terminate program assistance for a deceased sole family member and will send a termination letter to the address on record. This includes sole family member households that have a live-in aide, foster adult, or foster child, as these members are not considered family members, and have no rights as remaining family members.

   In these cases, HHA will issue a termination notice to the participant and the owner to document the end of program participation. This notice serves as written notification of the end of program assistance and that the associated HAP contract for the unit will terminate on the last day of the month in which the death occurred. No informal hearing will be available for terminations of sole member households (as defined above), as program participation ends automatically upon the death of the sole family member.

18.4 Additional Reasons for Termination of Assistance

HHA may terminate participation under the following circumstances:

1. **Use of Illegal Drugs and Alcohol Abuse.** HHA may terminate a family's assistance if any household member is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

   HHA may terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

   a) *Currently engaged in* is defined as any use of illegal drugs during the previous six months.

   b) HHA may consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol. However, a record or records of arrest(s) will not be

used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

c) In making its decision to terminate assistance, HHA will consider alternatives as described in **Criteria for Deciding to Terminate Assistance** and will make decisions on a case-by-case basis.

2. **Drug-Related and Violent Criminal Activity.** HHA may terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity.

   a) *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

   b) *Drug-related criminal activity* is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

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

   d) HHA may consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity. However, a record or records of arrest(s) will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

   e) In making its decision to terminate assistance, HHA may consider alternatives as described in **Criteria for Deciding to Terminate Assistance** and will make decisions on a case-by-case basis.

3. **Failure to Comply with Family Obligations.** HHA's family obligations include household members, guests, and other persons under the tenant's control, and thus HHA may terminate assistance to families in which a household member, guest, or a person under the tenant's control has violated the family's program obligations. Failure to comply with obligations include but are not limited to:

   a) Failure to provide HHA with accurate and complete information;

   b) Failure to cooperate with any HHA process;

   c) Failure to attend scheduled appointments or respond to requests for information from HHA;

   d) Failure to maintain utilities that the participant is responsible for;

   e) Allowing additional unauthorized individuals to reside in an assisted unit;

   f) Intentionally misrepresenting or having had intentionally misrepresented information related to eligibility, preference for admission, housing history, allowances, household composition, or rent;

   g) Failure to cooperate with or allow an NSPIRE inspection;

h) Failure to keep the unit in a clean and safe condition, and/or failure to dispose of all garbage, rubbish and other waste in a sanitary and safe manner. HHA considers a unit unclean and/or unsafe if it contains fire or other hazards or clutter in the dwelling unit or on the premises. Hazards include flammables, gas, naphtha or solvents, or inoperable appliances or heating, cooling, plumbing or electrical equipment, and others.

4. **Fraud, Bribery, or Any Other Corrupt or Criminal Act.** HHA may terminate a family's participation if any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal program.

5. **Failure to Repay Monies Owed.** HHA may terminate a household's participation for breaching the terms of a tenant payment agreement with HHA. HHA will also terminate a family's participation for the following reasons:

   a) Any adult member of a household currently owes money to HHA, any other housing authority, or owner of state or federally assisted housing and has not paid the debt in full or is not current on any tenant payment agreement.

   b) 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 enforceable amounts owed by the family under the lease.

6. **Eviction.** HHA may terminate a family's participation if any family member has been evicted from federally assisted housing in the last three years.

7. **Abusive or Violent Behavior towards HHA Personnel.** HHA may terminate a family's participation if a family member has engaged in or threatened violent or abusive behavior toward HHA personnel.

   a) *Abusive or violent behavior towards HHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

   b) *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

8. **Family Absence from the Unit:** If the family is absent from the unit for more than 180 consecutive calendar days in a 12-month period, HHA may terminate assistance for the family. See **Absence from the Unit**.

9. **Insufficient Funding.** HHA may terminate HAP contracts if HHA determines, in accordance with HUD requirements, that funding under the Annual Contributions Contract is insufficient to support continued assistance for families in the program. In such a case, HHA will determine if any other actions can be taken to reduce program costs.

   In the event that HHA decides to stop issuing vouchers as a result of a funding shortfall, and HHA is not assisting the required number of special purpose vouchers (i.e., Mainstream) when HHA resumes issuing vouchers, HHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, HHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, HHA will inform the local HUD field office. HHA will terminate the minimum number needed in order to reduce HAP costs to a level within HHA's annual budget authority.

If HHA will terminate HAP contracts due to insufficient funding, HHA will do so in accordance with the following criteria:

a) Families comprising the required number of special purpose vouchers (i.e., Mainstream) will be the last to be terminated.

b) HHA will review HAP contracts to determine families that are paying more than 80 percent of the rent to owner. HHA will rank those families from highest family rent to owner to lowest family rent to owner. HHA will begin to terminate the families with the highest family rent to owner and continue down the list until HHA has reached an adequate number of terminations to reduce HAP costs to the level of HHA's annual budget authority.

And, upon implementation of HOTMA:

Note: the following is only applicable upon implementation of the HOTMA Final Rule (Sections 102 and 104). Prior to implementation, the following restrictions do not apply.

10. **Failure to Comply with the Asset and/or Real Property Restriction(s):** upon implementation of HOTMA, HHA will terminate assistance if the household is not in compliance with the **Asset Restrictions**.

    HHA may delay termination of assistance for up to six months if the family is over the asset threshold at the time of their regular recertification, and the family will be given the opportunity to come into compliance with the asset threshold during that time. Otherwise, the household must be terminated in accordance with the policies in this chapter.

18.5 Criteria for Deciding to Terminate Assistance

18.5.1 Evidence - Terminations

HHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the 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. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

18.5.2 Reasonable Accommodations

If the family includes a person with disabilities, HHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation.

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, HHA will determine whether the behavior is related to the disability. If so, upon the family's request, HHA may approve alternative measures that are appropriate as a reasonable accommodation. HHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance.

18.5.3 Terminations Related to Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For policies concerning terminations related to domestic violence, dating violence, sexual assault, stalking, or human trafficking, see **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**.

18.5.4 Repayment of Family Debts

If a family owes amounts to HHA, as a condition of continued assistance, HHA will require the household to repay the full amount and may enter into a tenant payment agreement, within 15 days of receiving notice from HHA of the amount owed. See the section on **Tenant Payment Agreements** for HHA's tenant payment agreement policies.

18.6 TERMINATION NOTICE

If a family's assistance is to be terminated, HHA will give the family written notice that specifies:

1. The reasons for which assistance has been terminated;
2. The effective date of the termination;
3. The family's right to an informal hearing as described in **INFORMAL HEARINGS – PARTICIPANTS**;
4. Notification of rights under VAWA;
    a) HHA will also provide with the termination notice the form HUD-5382 and form HUD-5380;
    b) HHA will request in writing that a family member wishing to claim protection under VAWA provide documentation support the claim in accordance with the policies in this Plan (see **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**).
5. If a criminal record is the basis of the termination then the participant will be given an opportunity to review and dispute the accuracy and relevance of the information.

18.7 TERMINATION OF TENANCY BY THE OWNER

Termination of an assisted tenancy (i.e. termination of the lease) is a matter between the owner and the participant; HHA is not directly involved as HHA is not a party to the lease between the owner and tenant. Termination of tenancy for certain reasons may also result in termination of the participant's voucher assistance, as discussed in this chapter.

18.7.1 Effect of Termination of Tenancy on the Family's Assistance

If an owner termination is not due to a serious or repeated violation of the lease, and if HHA has no other grounds for termination of assistance, HHA may issue a new voucher to the family so that the family can move with continued assistance.

CHAPTER 19: INFORMAL REVIEWS AND HEARINGS

19.1 OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of HHA that may adversely affect them. HHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of HHA decisions is called an *informal review*.

For participants (or applicants denied admission because of citizenship issues), the appeal process is called an *informal hearing*.

19.2 INFORMAL REVIEWS – APPLICANTS

An informal review is available to program applicants. Households are considered "applicants" from the date of their completed pre-application submission until denial of assistance or execution of the lease and Housing Assistance Payments contract, at which time the applicant becomes a "program participant."

19.2.1 Decisions Subject to Informal Review

HHA will give an applicant the opportunity for an informal review of a decision denying assistance. An applicant may request an informal review if the applicant:

1. Is denied a voucher.
2. Is denied participation in the program.
3. Has assistance denied or delayed because of the immigration status of family member.

19.2.2 Decisions Not Subject to Informal Review

An applicant is not given the opportunity of an informal review in the following situations:

1. Discretionary administrative determinations by HHA.
2. General policy issues or class grievances.
3. A determination of the family unit size (voucher size) under HHA' subsidy standards.
4. An HHA determination not to approve an extension or suspension of the voucher term.
5. An HHA determination not to grant approval of the tenancy (i.e., the unit is too expensive based on the applicant's reported income, the rent is not reasonable, or the owner's history with HHA requires a denial).
6. A HHA determination that the unit does not meet NSPIRE standards.
7. A HHA determination that the unit does not meet NSPIRE standards based on family size or composition.
8. The applicant's assigned waiting list lottery position.

19.2.3 Informal Review Procedures

Ineligible applicants will be promptly provided with a letter stating the reason for their ineligibility and offering them an opportunity for an informal review. The notice will contain:

1. A brief statement of the reason(s) for the decision;
2. A statement that the applicant may submit a written request to HHA for an informal review of the decision if they disagree with the decision; and
3. A statement that the request must be made within fifteen (15) calendar days from the date of the notice.

Applicants must submit their request in writing to HHA within fifteen (15) calendar days from the date of the letter of denial.

HHA will conduct an informal review of the applicant's file, provided that the applicant submits a proper written request for an informal review within the time allowed. If the request is not submitted timely, it will mean that the applicant waived their right to request an informal review.

An informal review is not a hearing. It is a review of the material in the applicant's file to ensure that a correct decision about the applicant's status (based upon the material submitted by the applicant) has been made. The applicant will be provided an opportunity to present written or oral objections to HHA's decision.

19.2.4 Informal Review Officer

The informal review will be conducted by a person other than the one who made or approved the decision under review or a subordinate of this person.

19.2.5 Informal Review Decision

The informal review officer will decide whether the decision denying assistance to the applicant was justified and made according to the federal regulations and rules of HHA. This final decision will be in writing and issued within a reasonable time frame. The decision notice will state the final decision and a brief statement of the reasons for the final decision.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

19.3 INFORMAL HEARINGS – PARTICIPANTS

HHA will offer an informal hearing for certain HHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the HHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether HHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and HHA policies.

HHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

An informal hearing must be requested in writing within fifteen (15) calendar days from the date on the relevant notice.

During periods of emergency HHA may temporarily utilize alternate guidelines for informal hearings.

19.3.1 Decisions Subject to Informal Hearing

Circumstances for which HHA will give a participant family an opportunity for an informal hearing are as follows:

1. A determination of the amount of the total tenant payment or tenant rent;
    a) In a hearing regarding the amount of the total tenant payment of rent, the participant has to show by a preponderance of the evidence that the change is not supported.
    b) The scheduling and/or occurrence of any informal hearing regarding the amount of the total tenant payment of rent does not affect the date upon which the change takes effect. If, in the informal hearing, the participant shows by a preponderance of the evidence that the change in the amount of the total tenant payment of rent is not supported, then a correction may be retroactively applied back to the effective date of the change in total tenant payment of rent.
2. A decision to terminate assistance;
    a) In a hearing regarding a decision to terminate assistance, HHA must show by a preponderance of the evidence that the notice of termination is supported.
3. A decision to deny a family move;
    a) In a hearing regarding a decision to deny a family move, HHA must show by a preponderance of the evidence that the denial of family move is supported.
4. A decision to deny a request for reasonable accommodation
    a) In a hearing regarding a decision to deny a family a reasonable accommodation, HHA must show by a preponderance of the evidence that the denial of the reasonable accommodation is supported.
5. A decision to deny a financial hardship request in accordance with the **Minimum Rent Hardship** section of this Plan.
    a) In a hearing regarding a decision to deny a financial hardship request, the participant must show by a preponderance of evidence that the financial hardship request is supported.
6. A participant is terminated from the FSS program.
7. A determination of the family unit size under HHA subsidy standards.

19.3.2 Decisions Not Subject to Informal Hearing

Circumstances for which an informal hearing is not required are as follows:

1. Administrative determinations by HHA, general policy issues, or class grievances.
2. A determination that a unit does not comply with HHA's NSPIRE inspections standards, that the owner has failed to maintain or operate a contract unit to provide decent, safe, and sanitary housing in accordance with including all services, maintenance, and utilities required under the lease), or that the contract unit is not decent, safe, and sanitary because of an increase in family size or change in family composition.
3. A determination not to approve a unit or tenancy.
4. When HHA wishes to exercise any remedy against the owner under an outstanding contract, including, the termination of Housing Assistance Payments to the owner.

19.3.3 Notice to the Family

HHA will give the participant prompt written notice of the decision made regarding the above stated issues. Such written notice will contain a brief statement of the reasons for the decision and notice to the participant that they may request an informal hearing on the decision within fifteen (15) calendar days from the date of the notice, if the participant does not agree with the decision.

If the request for an informal hearing is not submitted timely, the participant is deemed to have waived their right to request an informal hearing.

If an eligible informal hearing request is submitted within the required timeframe, HHA will timely schedule the informal hearing and send written notice to the participant. The written notice will contain the date, time, and format for the informal hearing (i.e. virtual or in-person).

19.3.4 Requesting an Informal Hearing

A request for an informal hearing regarding a notice of termination, rent change notice, move denial, denial of a request for a reasonable accommodation, or denial of a financial hardship request must be made in writing and received by HHA by 11:59pm on the 15th calendar day after the date on the notice.

Requests may be submitted in one of the following ways:

1. Via email to **informalhearing@housingforhouston.com**;
2. Via hand-delivery to HHA's office at 2640 Fountain View Dr.;
3. Via fax to (713) 260-0808; or
4. Via first class mail to:

   Houston Housing Authority
   Attn: Legal Department
   2640 Fountain View Dr.
   Houston, Texas 77057

Requests that are received after the deadline to submit a request will be denied unless the participant attaches documentation showing good cause for the late submission.

19.3.5 Scheduling an Informal Hearing

HHA will schedule and send written notice of the informal hearing to the participant. The notice will be sent to the participant at the address provided by them on the request form. If no address is provided with the request, the notice will be sent to the current address on file for the participant.

The participant may request to reschedule the hearing by submitting a written request via one of the methods provided above. The request should be submitted no later than three (3) business days before the scheduled hearing. Such request must be made in writing in one of the methods identified in **Requesting an Informal Hearing**.

Participants may not request to reschedule a hearing more than once.

19.3.6 Hearing Format

Virtual Hearings

Informal hearings are primarily held virtually. Participants may choose to participate either by video or phone.

The hearing officer will open the virtual waiting room to allow the participant and the HHA representative to enter to begin the hearing. Both the HHA and the participant will be allowed fifteen (15) minutes to enter the waiting room to begin the hearing. If either party fails to enter the waiting room within fifteen (15) minutes of the scheduled hearing time, the absent party will have waived their right to a hearing.

If the participant experiences difficulties entering the videoconference waiting room at the time of their scheduled hearing, the participant may contact Customer Service to advise of their issue.

In-Person Hearings

Participants who are unable to participate in a virtual hearing can request that an in-person hearing be scheduled. In-person hearings will be conducted at the HHA's office at 2640 Fountain View Dr.

HHA will ensure equal opportunity and nondiscrimination for individuals with disabilities and limited English proficient (LEP) persons under Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964, and the Fair Housing Act. The HHA will make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have equal opportunity to participate in all the HHA's privileges, benefits, and services, including informal hearings.

19.3.7 Rights of the Parties

Rights of the Participant

1. The participant may be represented by an attorney (at their own expense).
2. The participant has the right to review and copy (at their own expense) any relevant information relied upon by HHA. Electronic copies may be provided to the participant via email at no cost. Any request to review documents must be received by HHA no later than five (5) calendar days prior to the scheduled hearing.
3. The participant has the right to present evidence, both oral and written.

4. The participant has the right to question any witnesses examined in the informal hearing and the right to argue their case prior to the hearing officer's decision.
5. The participant has the right to request that an interpreter attend the hearing. HHA will provide an interpreter at no expense to the participant.
6. The participant has the right to have the hearing recorded by audiotape at the participant's expense.
7. The participant has the right to seek redress directly through judicial procedures of the court.

Rights of HHA

1. HHA may be represented by an attorney at the informal hearing.
2. HHA may introduce evidence, both oral and written.
3. HHA has the right to question any witness examined in the informal hearing.
4. HHA has the right and must be given the opportunity to pre-hearing discovery, at HHA offices, of any participant documents directly relevant to the hearing. HHA must be allowed to copy any such document at HHA's expense.
5. If the participant does not make the document available for examination on request of HHA, the participant may not rely on the document at the hearing.

19.3.8 Informal Hearing Officer

Informal hearings will be conducted by a person or persons approved by HHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

HHA will designate any person or persons as hearing officer(s) to conduct the informal hearing, and further delegates to each hearing officer the authority to:

1. Conduct all aspects of the informal hearing;
2. Preside over all aspects of the informal hearing; and
3. Issue a decision with respect to the issues and evidence presented at the informal hearing.

19.3.9 Attendance at the Informal Hearing

Hearings may be attended by a hearing officer and the following applicable persons:

1. A HHA representative and any witnesses for HHA;
2. The participant and any witnesses for the participant;
3. The participant's counsel or other representative; and
4. Any other person approved by HHA as a reasonable accommodation for a person with a disability or as an interpreter for a person with limited English proficiency (see **APPENDIX B: LANGUAGE ASSISTANCE PLAN AND LIMITED ENGLISH PROFICIENCY (LEP) POLICY**).

Failure to Appear

If either the participant or HHA fails to check in for their hearing within fifteen (15) minutes of their scheduled hearing time, they are considered to have failed to appear.

If a participant fails to appear for their scheduled hearing, the matter will be dismissed and the HHA's action will be upheld.

If the participant failed to appear at the scheduled time and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact HHA in writing within 24 hours of the missed hearing, excluding holidays and weekends. Such request must be made in writing in one of the methods identified in **Requesting an Informal Hearing**.

HHA will reschedule the hearing only if the participant can show good cause for failure to appear. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the participant.

The participant should attach any available documentation supporting that they had good cause for missing the scheduled hearing. If such documentation is not provided, HHA may either request documentation of the good cause prior to rescheduling the hearing or make a decision regarding the request to reschedule based solely on the available information.

19.3.10 Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with HHA's hearing procedures.

The hearing officer is responsible for managing the order of business and ensuring that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Participation of attendees will be restricted to providing statements of facts only.

Either party may make a record of the proceedings at that party's own expense. The participant or HHA will make any record available to the other party for that party's purchase. Neither party is required to create or provide a written transcript of the hearing record.

19.3.11 Informal Hearing Decision

Factual determinations relating to the individual circumstances of the participant will be based on the evidence presented at the hearing.

The decision will be in writing and based on the facts established, HUD regulations, HHA policies and rules, and the applicable law.

The decision will clearly state the reasons on which the decision is arrived.

A copy of the decision will be sent to the participant no later than 15 calendar days after the date of the hearing.

19.3.12 Appeal of Hearing Officer Decision

Within 15 calendar days of the date the hearing decision is issued, either party may submit a written appeal of the decision through one of the methods provided above (see **Requesting an Informal Hearing**).

Appeals of Hearing Officer decisions are:

1. Solely for purposes of identifying and addressing any obvious mistakes of law or egregious errors in the hearing decision
2. Limited to written submissions by the requesting party and must identify an obvious mistake of law or egregious error in the hearing decision, supported by specific references to the hearing decision. No new evidence will be accepted or considered.

Appeal requests that do not meet the above-cited criteria will be denied.

After review of the written appeal, the reviewer may allow for rehearing for the following purposes:

1. Rectifying any obvious mistake of law in the hearing decision;
2. Rectifying any egregious errors in the hearing decision.

Any decision that is not timely appealed or any decision for which an appeal is upheld or denied becomes final.

19.3.13 Situations in which Informal Hearing Decisions Are Not Binding on HHA

HHA is not bound by a hearing decision on the following matters:

1. A matter for which HHA is not required to provide an opportunity for an informal hearing or otherwise in excess of the authority of the person conducting the hearing under these hearing procedures.
2. A decision is rendered that is contrary to HUD regulations, requirements or otherwise contrary to federal, state, or local law.

If HHA determines that it is not bound by a hearing decision, HHA will promptly notify the participant of the determination and the reasons for the determination.

19.4 HEARINGS AND APPEALS FOR NON-CITIZENS

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the HHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

See 24 CFR 5.514 for more information on the process for hearings and appeals for non-citizens.

CHAPTER 20: PROGRAM INTEGRITY

20.1 INTRODUCTION

HHA is committed to ensuring that subsidy funds made available to HHA are spent in accordance with HUD requirements. Further, HHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter covers HUD and HHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead. In the event that HHA determines that fraud or program abuse has occurred, the HHA may deny or terminate assistance.

20.2 DETECTING ERRORS AND PROGRAM ABUSE

HHA will use a variety of activities to detect errors and program abuse.

20.2.1 Quality Control and Analysis of Data

To detect errors and program abuse, HHA will:

1. Routinely will use available sources of upfront income verification to compare with family-provided information.
2. At each regular reexamination, compare current information provided by the family to information provided at the last reexamination to identify inconsistencies and incomplete information.
3. Compare family-reported income and expenditures to detect possible unreported income.

20.2.2 EIV Reports

HHA will review EIV reports as required by HUD and ensure any corrections are made accordingly.

In the case of any discrepancies between what is reported by the household and what the EIV shows, HHA will follow the protocol as outlined in this chapter.

20.3 INVESTIGATION

HHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation.

HHA will investigate when inconsistent information related to the family is identified through file reviews and the verification process.

Investigated complaints may include, but are not limited to, the following:

1. Unreported income;
2. Fraud;
3. Failure to report a change in household composition;

4. Unauthorized occupancy;
5. Subletting;
6. Participant vacating without notice;
7. Owner overcharging participants;
8. NSPIRE violations;
9. Illegal drug activity;
10. Violent criminal activity;
11. Activities that threaten the right to peaceful enjoyment of the premises by other residents; and
12. Nuisance.

HHA cooperates with local police and other appropriate agencies when complaints are received from individuals regarding units that are not owned or operated by HHA but are owned by landlords participating in one of HHA's assisted housing programs. This cooperation includes sharing pertinent information and acting as liaison between the local police or other agencies and the owner.

20.3.1 Consent to Release of Information

HHA may investigate possible instances of error or abuse using all available HHA and public records. If necessary, HHA will require HCV families to sign consent forms for the release of additional information.

20.4 De Minimis Errors

HHA will not be considered out of compliance when making annual income determinations solely due to *de minimis errors* in calculating family income.

A *de minimis error* is an error where the HHA determination of family income deviates from the correct income determination by no more than $30 per month in monthly adjusted income ($360 in annual adjusted income) per family.

HHA will take corrective action to credit or repay a family if the family was overcharged rent, including when HHA makes de minimis errors in the income determination. Families will not be required to repay HHA in instances where HHA miscalculated income resulting in a family being undercharged for rent.

20.5 Family-Caused Fraud and/or Program Abuse

Family obligations and general administrative requirements for participating in the program are discussed throughout this Plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows HHA to use incorrect information provided by a third party.

HHA will not reimburse the family for any overpayment of family share of rent when the family causes the overpayment.

20.5.1 Prohibited Family Actions

An applicant or participant family must not engage in any HCV program abuse, including but not limited to making a false statement to HHA and/or committing fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program. Evidence of family program abuse includes but is not limited to:

1. Payment to the owner in excess of amounts authorized by HHA for rent, security deposit, and additional services;
2. Offering bribes or illegal gratuities to the HHA Board of Commissioners, employees, contractors, or other HHA representatives;
3. Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the HHA on the family's behalf;
4. Use of a false name or the use of falsified, forged, or altered documents;
5. Intentional misreporting of family information or circumstances (e.g., income, family composition);
6. Omitted facts that were obviously known by a family member (e.g., not reporting employment income);
7. Admission of program abuse by an adult family member;
8. Permitting the use of the subsidized unit as a residence for unauthorized individual(s) that have not been approved by HHA. Permitting the use of the subsidized unit address as a mailing address for unauthorized individual(s) may be used by HHA as evidence of unauthorized occupants, which may be grounds for termination of assistance.

HHA may determine other actions to be program abuse based upon a preponderance of the evidence.

20.5.2 Applicant/Participant Penalties for Program Abuse

In the case of program abuse caused by a family, HHA may, at its discretion, impose any of the following remedies.

1. Require the family to repay excess subsidy amounts paid by HHA;
2. Require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit;
3. Deny or terminate the family's assistance (see **Denial of Assistance** or **TERMINATION OF ASSISTANCE AND TENANCY**); and/or
4. Refer the family for state or federal criminal prosecution.

20.5.3 Family Reimbursement to HHA

In the case of family-caused errors, program abuse, or resumption of minimum rent after a temporary hardship, the family will be required to repay all amounts due. HHA may, but is not required to, offer the family a **Tenant Payment Agreement**. If the family fails to repay the amount due or refuses to enter into an offered tenant payment agreement, HHA may terminate the family's assistance.

20.6 Owner-Caused Errors and/or Program Abuse

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., NSPIRE compliance, fair housing) are addressed in the appropriate chapters of this Plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (i.e., the number of bedrooms, which utilities are paid by the family, etc.). Owner error or abuse also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

20.6.1 Prohibited Owner Actions

An owner participating in the HCV program must not make any false statements to HHA and/or commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program including, but not limited to:

1. Charging the family rent above or below the amount specified by HHA;
2. Charging a security deposit other than that specified in the family's lease;
3. Charging the family for services that are provided to unassisted tenants at no extra charge;
4. Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
5. Knowingly accepting incorrect or excess housing assistance payments;
6. Offering bribes or illegal gratuities to HHA's Board of Commissioners, employees, contractors, or other HHA representatives;
7. Offering payments or other incentives to a subsidized family as an inducement for the family to make false or misleading statements to HHA;
8. Residing in the unit with an assisted family;
9. Committing sexual or other harassment, either quid pro quo or hostile environment based on a protected class;
10. Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment based on a protected class.

20.6.2 Owner Remedies and Penalties for Program Abuse

When HHA determines that the owner has committed program abuse, HHA may take any of the following actions:

1. Require the owner to repay excess housing assistance payments;
2. Terminate the HAP contract;
3. Bar the owner from future participation in any HHA programs; and/or
4. Refer the case to state or federal officials for criminal prosecution.

20.6.3 Owner Reimbursement to HHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to HHA any excess subsidy received.

20.7 Debts Owed to HHA

Households and owners must pay all debts owed to HHA regardless of whether a tenant payment agreement is offered.

20.7.1 Applicant Debt

When an applicant currently owes HHA money from a previous public housing residency, HCV program participation, or participation in any other subsidized housing program, they must fully repay the debt.

20.7.2 Participant Debt

Participants are required to reimburse HHA if they were charged less rent than required by HHA's rent formula due to the participant's underreporting or failure to report income. Families will be required to reimburse HHA for the difference between what the family share of rent should have been against the family rent that was charged and paid. This amount is referred to as *retroactive rent*. HHA will determine retroactive rent as far back as HHA has documentation of family reported income.

20.7.3 Owner Debt

In all cases of overpayment of subsidy caused by the owner, the owner must repay to HHA any excess subsidy received.

20.8 Income Fraud

For the purposes of this Plan, income fraud is a participant's failure to accurately report all household income as required by HUD and the HHA. In cases of substantiated fraud/misreporting, HHA may terminate the household's assistance and may file a civil and/or criminal action for recovery of overpayment of subsidy.

When unreported or misreported income has resulted in a balance owed to the HHA, participants must repay the full amount owed or enter a tenant payment agreement as detailed in **Tenant Payment Agreements** if offered by HHA) within 30 days of receiving notice of the debt.

20.9 Tenant Payment Agreements

The term *tenant payment agreement* refers to a formal document signed by a participant or owner and HHA in which a participant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

All tenant payment agreements will be in writing and will be signed and dated by the head of household and HHA. Additionally, tenant payment agreements will include the amount owed, down-payment, monthly tenant payment payments and related time periods for such payments.

Where renegotiation of the terms of a tenant payment agreement is concerned, this may be at the family's request or by HHA. For example, if a family's income decreases, the family may request renegotiation, and if a family's income increases then HHA may initiate renegotiation of the tenant payment agreement.

The circumstances in which HHA will not enter into a payment agreement are, as follows:

1. If the family already has a payment agreement in place; or
2. If the amount exceeds the federal or state threshold for criminal prosecution.

20.9.1 Tenant Payment Agreement Terms

HHA will make efforts to collect debts from any participant in full at the time a debt is incurred. When it is not financially feasible for the debt to be paid in full, HHA may offer the participant the opportunity to repay the debt over a period of time not to exceed twelve (12) months. The agreement to repay the debt must be formalized through a written and executed *tenant payment agreement.* Tenant payment agreement policies include:

1. HHA will not enter into a tenant payment agreement for more than $2,500.00 or for a repayment term longer than twelve (12) months.
    a. HHA will terminate housing assistance in cases where the amount owed exceeds $2,500. The tenant will be given an opportunity for informal hearing.
    b. Cases may be referred to the HUD-OIG or District Attorney for investigation.
2. For amounts under $2,500, HHA may, based upon the circumstances, enter into a tenant payment agreement with the participant.
    a. 50% of the total amount owed must be paid by the participant up-front, in prompt fashion.
    b. Upon prompt receipt of the payment, HHA may decide to enter into a repayment agreement for the remaining balance owed.
    c. Any remaining balance must be repaid within twelve (12) months.
3. HHA reserves the right to consider each situation on a case-by-case basis and decide whether to enter into a tenant payment agreement with a participant.
4. Terms of the agreement including when payments are due to HHA and required method(s) of payment will be outlined in the tenant payment agreement.
5. If a family can provide evidence satisfactory to HHA that the threshold applicable to the family's debt would impose an undue hardship, HHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable and/or lengthen the time in which the debt must be paid. In making its determination, HHA will consider all relevant information, including the following:

a. The amount owed by the family to HHA;

b. The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control;

c. The family's current and potential income and expenses;

d. The family's current family share;

e. The family's history of meeting its financial responsibilities.

6. If the participant fails to pay any amount owed under a tenant payment agreement, then HHA will send a written notice of the termination of housing assistance to the family and owner. HHA may, at any time, turn tenant payment agreements over to an independent collection agency.

20.9.2 Moves and Tenant Payment Agreements

If the family requests a move and has a payment agreement in place and the payment agreement is not in arrears, the family will be permitted to move. Exceptions for families who are in arrears will be considered on a case-by-case basis and may take into account situations including but not limited to emergencies, reasonable accommodations and occupancy standards.

20.9.3 Limit on the Number of Tenant Payment Agreements Allowed

HHA will not enter into more than one tenant payment agreement with a family. If there is a second incidence of unreported or underreported income, HHA will terminate the family's assistance in accordance with the policies in this Plan. HHA may also pursue other modes of collection.

20.9.4 Consequences of Nonpayment/Default

If the family refuses to repay the debt, refuses to enter into an offered tenant payment agreement, or breaches a tenant payment agreement (including failure to make payments as required), HHA may terminate the family's assistance in accordance with HHA's termination policies and/or applicable program regulations. HHA may also pursue other modes of collection. HHA will not offer any HHA-sponsored amnesty or debt forgiveness programs.

20.10 CRIMINAL PROSECUTION

When HHA determines that program abuse has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, HHA will refer the matter to the appropriate entity for prosecution.

When the amount of overpaid assistance in federally funded programs meets or exceeds the federal threshold or $25,000, whichever is lower, the case may also be referred to the HUD Office of Inspector General (OIG).

When the program abuse involves a criminal enterprise and/or multiple parties are involved, the case may be referred to the HUD OIG and/or the Texas Office of the State Inspector General.

Other criminal violations related to any subsidized housing program will be referred to the appropriate local, state, or federal entity.

20.11 RECOVERY OF FUNDS

Where HHA is the principal party initiating or sustaining an action to recover amounts from families or owners that are due as a result of fraud and abuse, HHA may retain a portion of the amount of voucher program funds it recovers.

The amount(s) retained by HHA must go to its administrative fee reserves/UNP. See 24 CFR 792.202 and PIH Notice 2015-17 for more information.

20.11.1 Forfeited FSS Escrow

Under the FSS Final Rule, 24 CFR § 984.305(f)(2) requires that forfeited FSS escrow funds be used by HHA for the benefit of FSS participants in good standing (as opposed to being returned to HAP or Operating Fund). See PIH Notice 2022-20 for more information.

20.12 SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure HHA's performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each public housing authority (PHA) as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect HHA in funding and specific HUD requirements.

Pursuant to the Moving to Work Operations Notice, MTW agencies will not be scored in SEMAP unless and until such time as HUD develops an MTW-specific system that is consistent with SEMAP, or successor system, but they can elect to be scored if they choose to opt in. An MTW agency will maintain its SEMAP performance designation (i.e., high performer, standard performer, troubled) at the time of MTW designation, up until a successor system is established. If an MTW agency elects to receive its overall SEMAP score, the agency must continue to be scored for the duration of the demonstration, or until the agency is assessed under the MTW-specific assessment system, whichever comes first. Once developed, all MTW agencies, including MTW agencies that opt out of SEMAP, must be assessed under the MTW-specific assessment system(s).

CHAPTER 21: OWNERS

21.1 OVERVIEW

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating households. The term *owner* refers to any person or entity with the legal right to lease a unit to a household in the HCV program. Owners have numerous responsibilities under the program, including screening and leasing to households, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

21.2 OWNER RECRUITMENT AND RETENTION

21.2.1 Recruitment

HHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. HHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies may include:

1. Distributing printed material about the program to property owners and managers;
2. Maintaining a web page with information about the program pertinent to property owners and managers;
3. Holding owner workshop/information meetings at least once a year; and
4. Developing working relationships with owners.

HHA will monitor owner participation and outreach activities regularly in coordination with community organizations. All outreach strategies will be monitored for effectiveness and adapted accordingly.

21.2.2 Retention

In addition to recruiting owners to participate in the HCV program, HHA will also provide the kind of customer service that will encourage participating owners to remain active in the program.

All HHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

HHA will provide owners with a handbook that explains the program, including HUD and HHA policies and procedures, in easy-to-understand language.

HHA will give special attention to helping new owners succeed through activities such as:

1. Providing the owner with a designated HHA contact person;
2. Coordinating inspection and leasing activities between HHA, the owner, and the family; and
3. Providing answers to Frequently Asked Questions (FAQs) on HHA's website.

21.3 BASIC OWNER RESPONSIBILITIES

The basic owner responsibilities according to HUD regulations are as follows:

1. Perform all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease;
2. Perform all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the household is suitable for tenancy of the unit;
3. Maintain the unit in accordance with the NSPIRE standards, including performance of ordinary and extraordinary maintenance;
4. Comply with equal opportunity requirements;
5. Prepare and furnish to HHA information required under the HAP contract;
6. Collect from the household any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from HHA), and any charges for unit damage by the household;
7. Enforce tenant obligations under the lease;
8. Pay for utilities and services that not the responsibility of the family as specified in the lease;
9. Allow modifications to a dwelling unit occupied or to be occupied by a disabled person; and
10. Comply with the Violence Against Women Reauthorization Act of 2013 (VAWA) when screening and terminating tenants.

Additionally, see **Prohibition Against Sub-Leasing and Short-Term Rentals** for additional leasing restrictions. If the owner becomes aware of any prohibited sub-leasing or short-term rental activity by an HHA-assisted tenant then they must notify HHA immediately.

21.4 OWNER QUALIFICATIONS

HHA will not approve the assisted tenancy for any of the following reasons:

1. HHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24;
2. The owner parent, child, grandparent, grandchild, sister, or brother of any member of the family; HHA may make an exception as a reasonable accommodation for a family member with a disability;
3. Any of the following have an interest in the tenancy:
    a) Any present or former member or officer of HHA (except a participant commissioner);
    b) Any employee of HHA, or any contractor, subcontractor or agent of HHA, who formulates policy or who influences decisions with respect to the programs;
    c) Any public official, member of a governing body, or state or local legislator, who exercises functions or responsibilities with respect to the programs;
    d) Any member of the Congress of the United States.

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. HHA must submit a waiver request to the appropriate HUD Field Office for determination.

21.5 OWNER DISAPPROVAL

HHA may deny approval to lease a unit from an owner for any of the following reasons:

1. The owner has violated obligations under a HAP contract under Section 8 of the 1937 act (42 U.S.C. 1437f).
2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
3. The owner has engaged in any drug-related criminal activity or any violent criminal activity;
4. The owner has a history or practice of non-compliance with the inspections standards 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 programs;
5. The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
    a) Threatens the right to peaceful enjoyment of the premises by other residents;
    b) Threatens the health and safety of other residents, of employees of HHA, or of owner employees or other persons engaged in management of the housing;
    c) Threatens the health or safety of or the right to peaceful enjoyment of their residency by persons residing in the immediate vicinity of the premises; or
    d) Engages in drug-related criminal activity or violent criminal activity.
6. The owner has committed abusive or violent behavior towards HHA personnel, including verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence;
7. The owner has not paid state or local real estate taxes, fines, or assessments;
8. The owner has a history or practice of renting units that fail to meet state or local housing codes;
9. The owner's property is in a foreclosure status; or
10. Any other reasons determined reasonable by HHA and prohibited by law.

21.6 LEGAL OWNERSHIP OF UNIT

The following represents HHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

HHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, warranty deed, etc.).

21.7 NON-DISCRIMINATION

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with HHA.

The owner must cooperate with HHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with HHA.

21.8 CHANGE IN OWNERSHIP

An owner under a HAP contract must notify HHA in writing at least 30 days in advance of the change in the legal ownership of the unit. The owner must supply all information as requested by HHA. The request must include the name and address of the new HAP payee and the effective date of the change. HHA will notify the existing and new owner, in writing, of the outcome of the change in ownership request.

If HHA is not notified of the sale 30 days in advance, and as a result, HAP payments have been issued to the seller after the date of the sale, HHA will not issue payments for this time period to the purchaser. The purchaser will be directed to contact the seller for those funds.

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program.

The new owner must provide a written certification to the HHA that includes:

1. Proof of ownership, (i.e., a copy of the escrow statement or other document showing the transfer of title and recorded deed);
2. A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, and/or the Employer Identification Number or Social Security number of the new owner;
3. The effective date of the HAP contract assignment;
4. A written agreement to comply with the terms of the HAP contract;
5. A certification that the new owner is not a prohibited relative; and
6. Any other completed, signed, and dated required HHA forms.

If the change in ownership request that is submitted is determined to be incomplete, HHA will request additional information and provide a 30-day deadline for a response. If the owner fails to respond by the provided deadline, upon completion of the required documents, HHA may make the rental subsidy payments prospective from the date that all required documentation is supplied to HHA.

The new owner must agree to be bound by and comply with the HAP contract. If the new owner does not agree to an assignment of the HAP contract, or fails to provide required documents,

HHA will terminate the HAP contract and issue the family a voucher to move. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, HHA will process the leasing in accordance with the policies in this Plan.

21.9 FORECLOSURE

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

21.10 OWNER TERMINATION OF TENANCY

During the lease term, an owner shall not terminate the tenancy of an assisted household except for specific reasons. See 24 CFR 982.310 for more information.

CHAPTER 22: PROJECT-BASED VOUCHER (PBV) ASSISTANCE

22.1 OVERVIEW

The Project-Based Voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to attach the funding to specific units rather than using it for tenant-based assistance.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, HHA's policies for the tenant-based voucher program contained in this Plan also apply to the PBV program and its participants. The provisions of the tenant-based voucher program that do not apply to the PBV program are described at 24 CFR 983.2.

22.2 GENERAL REQUIREMENTS

22.2.1 PBV Program Cap

HHA will operate a project-based voucher program using up to 50 percent of its authorized ACC units or budget authority for project-based assistance, pursuant to MTW waiver 9.a – Increase PBV Program Cap, as referenced below. HHA may attach PBV assistance to existing housing, newly constructed or rehabilitated housing.

MTW Policy

MTW Waiver: 9.a. – Increase PBV Program Cap

Approval Date: FY 2025

Applicable to: All PBV households

Description: Under this activity HHA may raise the program cap for the Project PBV program to up to 50% of the lower of either the total authorized HCV units or annual budget authority.

An analysis of impact must be conducted in accordance with 24 CFR 983.58 if HHA is project-basing 50 percent or more of its authorized voucher units.

22.2.2 PBV Project Cap

MTW Policy

MTW Waiver: 9.b. – Increase PBV Project Cap

Approval Date: FY 2022

Applicable to: All PBV households

Description: This activity allows HHA to eliminate or raise the existing cap on the number of units within a project and allow up to 100% of units in a project to be placed under a PBV Housing Assistance Payments contract.

HHA may eliminate or raise the project cap for those PBV projects that the agency determines to be consistent with the goal of increasing housing choice for HCV program participants.

HHA may eliminate or raise the project cap for projects located in high opportunity areas, City-designated revitalization areas, in conjunction with HHA-sponsored development activities and for other factors as determined by HHA.

HHA will continue to be subject to the applicable provisions of PIH Notice 2013-28 or successor notices.

22.2.3 HHA-Owned Units

Until/unless waived by HUD pursuant to an MTW waiver, for HHA-owned units (as defined in 24 CFR 982.4), an independent entity (as defined in 24 CFR 982.4) must perform the following functions:

- When the owner carries out development activity or substantial improvement, the independent entity must review the evidence and work completion certification submitted by the owner and determine if the units are complete in accordance with 24 CFR 983.156; and
- Determine whether to approve substantial improvement to units under a HAP contract in accordance with 24 CFR 983.212.

Note: see MTW Waivers related to **Inspecting HHA-Owned Units** and **Rent for HHA-Owned Units.**

HHA may only compensate the independent entity from ongoing administrative fee income (including amounts credited to the administrative fee reserve). HHA may not use other program receipts to compensate the independent entity for its services. HHA and the independent entity may not charge the family any fee for the appraisal, or the services provided by the independent entity.

22.2.4 Relocation Assistance

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) [42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24. [24 CFR 983.7]. The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B.

22.2.5 Equal Opportunity

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

22.3 PROPOSAL AND PROJECT SELECTION

22.3.1 Non-Competitive Project Selection

HHA may select units without a competitive selection process in certain circumstances as described below.

MTW Policy

MTW Waiver: 9.c. – Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement

Approval Date: FY 2022

Applicable to: All PBV households

Description: This activity allows HHA to eliminate the selection process in the award of PBVs to properties owned by HHA that are not public housing without engaging in an initiative to improve, develop or replace a public housing property or site. HHA may award PBVs to projects meeting this criteria based on approval by the HHA Board of Commissioners and provided that:

1) A subsidy layering review is performed where required by regulation;

2) HHA completed site selection requirements;

3) NSPIRE inspections shall be performed by an independent entity (unless waived pursuant to an MTW waiver); and,

4) The property is owned by a single-asset entity of HHA in conformance with HUD PIH Notice 2017-21 or successor notice.

HHA shall continue to be subject where applicable to HUD PIH Notice 2013-27 or successor notice.

HHA may select units for PBV assistance without following a competitive process in the following circumstances:

1. HHA may select a project consisting of HHA-owned units. The units must continue to meet the definition of HHA-owned for the initial two years of the HAP contract unless there is a transfer of ownership approved by HUD.
2. HHA may attach PBVs to projects in which HHA has an ownership interest or has control of, without following a competitive process, in cases where HHA is engaged in an initiative to improve, develop, or replace a public housing property or site. The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory through any available legal removal tool within five years of the project selection date.
3. HHA may select for future PBV assistance a project currently under the public housing program, or a project that is replacing the public housing project, in which a PHA has no ownership interest, or which a PHA has no control over, provided:

a. The public housing project is either still in the public housing inventory or had been removed from the public housing inventory through any available legal removal tool within five years of the project selection date;

b. The PHA that owned or owns the public housing project does not administer the HCV program;

c. The project selected for PBV assistance was specifically identified as replacement housing for the impacted public housing residents as part of the public housing demolition/disposition application, voluntary conversion application, or any other application process submitted to and approved by HUD to remove the public housing project from the public housing inventory. The replacement housing does not have to be on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.

4. HHA may select a project that underwent an eligibility event within five years of the project selection date, in which a family (or families) qualifies for enhanced voucher assistance and provided informed consent to relinquish its enhanced voucher for PBV assistance.

5. HHA may select one or more PBV projects with units made exclusively available to VASH families on the site of a VA facility [FR Notice 8/13/24]. The method of project selection must comply with all other requirements under 24 CFR 983.51.

In all circumstances listed above, HHA shall notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan.

22.3.2 Competitive Selection of Proposals

HHA may select PBV proposals by either of the following two methods.

1. **Request for PBV Proposals.** HHA may solicit proposals by using a request for proposals to select proposals on a competitive basis. HHA shall not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites. HHA may establish selection procedures that combine or are in conjunction with other federal, state, or local government housing assistance, community development, or supportive services competitive selection processes, so long as they comply with proposal and project selection procedures noted in this chapter.

2. **Proposals that were previously selected based on a competition.** This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program, community development, or supportive services program that was subject to a competition in accordance with the requirements of the applicable program, that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. Under these circumstances, HHA shall not conduct another competition.

22.3.3 Solicitation and Selection of PBV Proposals: RFP Method

HHA may issue a request for PBV proposals (RFP) when it determines that a competitive selection process has a reasonable likelihood of generating proposals that will expand housing opportunities and housing choice in the City. Owner proposals will be requested in an advertisement with a reasonable deadline and posted on HHA's website. HHA may either establish a single deadline for submission or establish multiple deadlines. For example, HHA may publish a public notice indicating that proposals will be accepted for a one-year period with quarterly proposal submission deadlines.

HHA will not limit proposals to a single site or impose restrictions that explicitly or practically exclude owners from submitting project-based proposals on different sites. HHA may restrict proposals to those that have a certain number of bedrooms based on waiting list or community need. Owners that request an application package will be sent an RFP application and information packet or provided with instructions on how to download the application from HHA's website. The application package will contain the following:

1. A description of the PBV program;
2. Project selection criteria;
3. Sample program documents including payment standard schedule, utility allowance schedule and sample HAP agreement;
4. An application/proposal form;
5. Information about application due date;
6. Other information as may be required by HHA.

At HHA's option, a Bidders Conference may be provided for owners who would like additional information about the program.

HHA will review only proposals submitted in response to the Request for Proposals advertisement and submitted by the stated deadline. The HHA will review proposals for completeness and compliance with RFP requirements. Proposals must include the following information (threshold requirements):

1. Property description, including unit sizes, number of vacancies, eligible occupants;
2. Evidence that the property is eligible housing;
3. Evidence that the property complies with the cap on the number of PBV units per project, if applicable;
4. Evidence that the property meets the applicable site and neighborhood selection standards;
5. Owner certification indicating understanding and agreement to abide by all HHA and HUD rules and regulations governing the PBV program;
6. Description of previous management experience and participation in HUD subsidized housing programs;
7. Written tenant selection policy and procedures;

8. Proposed rent levels accompanied by rent comparables for similar unassisted units in the area;
9. Information on how the site is consistent with the deconcentration goals already established in the HHA's PHA Plan and with civil rights laws and regulations, including HUD's rules on accessibility;
10. Owner's agreement to select tenants from the HHA waiting list, if applicable; and,
11. Other information that may be required by HHA to evaluate the proposal.

In addition, proposals for PBV New Construction and/or Substantial Rehabilitation must include:

1. Description of project including work plans;
2. Zoning permits and evidence of site control;
3. Disclosure of Low Income Tax Credit use or lien;
4. Statement of Sources and Uses for Funds to develop the project;
5. Operating proforma;
6. Descriptions of historic and environmental review status;
7. Owner's plan to manage and maintain property; and,
8. Other information that may be required by HHA to evaluate the proposal.

HHA will rate and rank proposals using criteria published in the RFP. Such criteria shall be further defined in the RFP issued by HHA and generally relate to:

1. Owner experience and capability to build, rehabilitate and or manage housing as identified in the RFP;
2. Financial feasibility of the project including commitments for development financing where applicable and adequacy of projected operating funding;
3. Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;
4. Extent to which the project supports HHA goals related to permanent supportive housing, youth aging out of foster care, reducing homelessness, support for City and/or other revitalization initiatives and/or other goals identified in the RFP;
5. Extent to which the project demonstrates an appropriate supportive services plan based on projected resident needs; and,
6. Other criteria as defined by HHA.

Incomplete proposals will not be processed; however, HHA may provide the owner with an opportunity to address any deficiencies. If the owner fails to provide the needed information within a reasonable time as specified by HHA, the proposal will be rejected. Proposals, which would require permanent displacement of tenants, will be rejected. Proposals where there is not site control will be rejected. Proposals where the property has liens attached and these liens are a result of the current owner's negligence will be rejected.

Proposals are subject to review and approval by the HHA Board of Commissioners. The proposal selection date is the date that the proposal is approved by the HHA Board of Commissioners.

22.3.4 Selection of Proposals Subject to a Previous Competition

If sufficient funds are available, HHA may elect to accept proposal(s) for PBV assistance from owner(s) that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis, provided that the proposal(s) are consistent with the site selection standards, further compliment other local activities, and are consistent with HHA's PHA Plan. The selection under the prior competition must have occurred within three years of the PBV proposal selection date, and the earlier competition could not involve consideration that the project would receive PBV assistance.

On an ongoing basis, HHA may directly solicit proposal(s) from owners that qualify under this method and/or may review and consider proposal(s) solicited by project owners. In order for HHA to consider a proposal under this method, the owner must submit the following to HHA:

1. A description of the project including location, unit mix and type, as well as amount of proposed PBV units with sufficient detail to determine that the property is eligible housing, complies with the cap on the number of PBV units per project, and meets the site selection standards;
2. Current operating budgets and operating proforma showing current and proposed rents, utility allowances, vacancy rates, and project expenses;
3. A description of the owner entity and any partners including the management team;
4. Description of the need for vouchers and services offers on site;
5. Any other additional information needed to make a determination that the project complies with HHA policy priorities, federal, state, and local laws.

If funds for project-based vouchers are available, HHA may select proposals that are consistent with the site selection standards, further compliment other local activities, and are consistent with HHA's PHA Plan. HHA shall provide prompt notice to the owner and public notice of its selection of units for PBV assistance under this selection method. Proposals selected under this method are subject to the NSPIRE inspection, subsidy layering review, environmental review, and all other applicable requirements noted above in the discussion of proposals selected under the Request for Proposals method.

22.3.5 Project or Proposal Selection

Inspections Required Prior to Project or Proposal Selection

HHA shall examine the proposed site before the proposal or project selection date to determine whether the site complies with the site selection standards, as applicable.

Written Notice of Proposal or Project Selection

Within 30 business days of HHA Board approval of a PBV selection, HHA will notify the selected owner in writing of the owner's selection for the PBV program. HHA's written notice shall contain the following elements, as applicable:

1. The written notice of proposal selection shall require the owner to provide a written response accepting the terms and requirements stated in the notice.
2. When an environmental review is required, if the review has not been conducted prior to the project or proposal selection date, HHA's written notice shall stipulate that the selection is subject to completion of a favorable environmental review and that the project or proposal may be rejected based on the results of the environmental review.
3. For newly constructed housing and rehabilitated housing in projects to which labor standards apply, HHA's written notice shall state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.
4. If the project contains HHA-owned units, the responsible HHA official must certify in writing that HHA accepts the terms and requirements stated in the notice.

HHA will also notify in writing all owners that submitted proposals that were not selected. Owners of rejected proposals will be offered an opportunity to discuss the rejection in person with HHA proposal evaluators.

HHA will also post the notice of owner selection on its web site and make available for public inspection documentation regarding the basis for HHA's selection.

22.3.6 Ineligible Units

HHA shall not attach or pay PBV assistance to units that meet the following criteria:

1. **Ineligible Housing Types:** HHA shall not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes that are not permanently affixed to a permanent foundation or the owner does not own fee title to the real property (land) on which the manufactured home is located; and transitional housing.
2. **Owner-Occupied Units:** HHA may not attach or pay PBV assistance for a unit occupied by an owner. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program.
3. **Units Occupied by an Ineligible Family:** HHA shall not attach or pay PBV assistance for a unit that is occupied by a family who is not eligible for HCV and PBV assistance. Additionally, for a family to be eligible for assistance in the specific unit, the unit must be appropriate for the size of the family under the HHA's subsidy standards and the total tenant payment for the family must be less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP.
4. **Subsidized Housing Units:** HHA shall not attach or pay PBV assistance to units in any of the following types of subsidized housing:
    a) A public housing unit;

b) A unit subsidized with any other form of Section 8 assistance;

c) A unit subsidized with any governmental rent subsidy;

d) A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;

e) A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, HHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485);

f) A Section 202 project for non-elderly with disabilities;

g) Section 811 project-based supportive housing for persons with disabilities;

h) Section 202 supportive housing for the elderly;

i) A unit subsidized with any form of tenant-based rental assistance;

j) A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or HHA in accordance with HUD requirements.

22.3.7 Commencement of Construction or Rehabilitation

HHA shall not enter into a HAP contract for units where:

- Construction or rehabilitation began *after* the date of:
  - The proposal submission (for projects selected through a competitive process), or
  - The HHA Board's approval to project-base the units (for projects not subject to competition); and
- Before the effective date of an Agreement to Enter into a Housing Assistance Payments contract (AHAP).

However, HHA may still proceed with executing a HAP contract if:

- HHA used its discretion under 24 CFR 983.154(f) to develop units without an AHAP;
- HHA signed an AHAP after construction or rehab began, as long as all requirements under 24 CFR 983.153 were met; or
- ***(Upon implementation of the applicable HOTMA provision)*** HHA plans to begin construction or rehab after the HAP contract is signed, as allowed under 24 CFR 983.157 (once implemented).

HUD may approve requests for additional exceptions.

22.4 SUBSIDY LAYERING REQUIREMENT

HHA may provide PBV assistance only in accordance with HUD subsidy layering regulations and other requirements.

Subsidy layering requirements apply to new construction and rehabilitation housing that will include forms of government assistance other than PBVs prior to entering into an Agreement to Enter into Housing Assistance Payments Contract (AHAP). Subsidy layering requirements do not

apply to existing housing, when PBV is the only governmental assistance, or for projects already subject to a PBV HAP contract, even if the project is recapitalized with outside sources of funding.

When HHA selects a new construction or rehabilitation project, HHA will require information regarding all HUD and/or other federal, state, or local governmental assistance to be disclosed by the project owner. FR Notice 3/23/23 contains a list of all required documentation.

Either HUD or a HUD-approved housing credit agency (HCA) in HHA's jurisdiction performs the subsidy layering review. HHA will request an SLR though its local HUD Field Office or, if eligible, through a participating HCA.

22.4.1 Additional Assistance after HAP Contract

The HAP contract shall contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements [24 CFR 983.11(d)].

For newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to HHA information regarding any additional related assistance from the federal government, a state, or a unit of general local government, or any agency or instrumentality thereof. Related assistance includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

If the additional related assistance meets certain threshold and other requirements established by HUD, a subsidy layering review may be required to determine if it would result in excess public assistance to the project. HHA shall adjust the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

22.5 SITE SELECTION STANDARDS

22.5.1 Compliance with PBV Goals, Civil Rights Requirements, and NSPIRE Site Standards

HHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless HHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

In addition, prior to selecting a proposal, HHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the NSPIRE site and neighborhood standards at 24 CFR 5.703.

It is HHA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal HHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, HHA will grant exceptions to the 20 percent standard where HHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate

poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

1. A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community;
2. A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
3. A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
4. A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
5. A census tract where there has been an overall decline in the poverty rate within the past five years; or
6. A census tract where there are meaningful opportunities for educational and economic advancement.

22.5.2 Existing and Rehabilitated Housing Site and Neighborhood Standards

Before entering into an agreement to enter into a HAP contract or entering into a HAP contract for existing or rehabilitated housing, HHA will determine that the site complies with the HUD required site and neighborhood standards. The site must:

1. Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
2. Have adequate utilities and streets available to service the site;
3. Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
4. Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
5. Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

22.5.3 New Construction Site and Neighborhood Standards

Before selecting a project for PBV assistance HHA will determine that a site for newly constructed housing meets the following HUD required site and neighborhood standards:

1. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
2. The site must have adequate utilities and streets available to service the site;
3. The site must not be located in an area of minority concentration unless HHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration

or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

4. The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
5. The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
6. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
7. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
8. Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

22.6 ENVIRONMENTAL REVIEW

Activities under the PBV program are subject to HUD environmental regulations at 24 CFR parts 50 and 58, other than where exceptions are provided in the PBV regulations.

For projects or proposals that were selected in accordance with the site selection standards at 24 CFR 983.55 in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation related to funding other than PBV.

When an environmental review is required, the *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). HHA may not enter into an AHAP nor a HAP contract until it has complied with the environmental review requirements.

HHA may not enter into an AHAP or a HAP contract with an owner, and HHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

1. The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 85.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);
2. The responsible entity has completed the environmental review procedures required by 24 CFR Part 58, and HUD has approved the PHA's Request for Release of Funds and Certification (form HUD-7015.15)
3. HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing the PHA to execute an AHAP or HAP contract, as applicable; or

4. HUD has performed an environmental review under 24 CFR Part 50 and has notified the PHA in writing of environmental clearance.

HHA shall require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

22.7 DWELLING UNITS

22.7.1 Inspections Standards

The inspections standards for the tenant-based program, including those for special housing types, generally apply to the PBV program (see **INSPECTIONS**).

Inspections requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

22.7.2 Lead-Based Paint

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

22.7.3 Housing Accessibility for People with Disabilities

PBV housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The percentage of accessible dwelling units must comply with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

22.7.4 Inspecting Units

Pre-selection Inspection

HHA shall examine the proposed site before the proposal selection date. For existing units, HHA shall inspect all the units before the proposal selection date, and shall determine whether the units substantially comply with inspection requirements. To qualify as existing housing, units must substantially comply with inspection requirements on the proposal selection date. HHA shall not execute the HAP contract until the units—whether existing units, new construction, or rehabilitated units—fully comply with inspection requirements.

Initial Inspections

1. **Existing Housing:** HHA shall inspect each contract unit before execution of the HAP contract, and shall not enter into a HAP contract covering a unit until the unit fully complies with inspection requirements and any applicable environmental review requirements.

2. **Newly Constructed and Rehabilitated Projects That Underwent Substantial Improvement:**

   Following completion of work pursuant to 24 CFR 983.155, HHA (or the independent entity if required) will complete the following inspections, as applicable:

   a) For newly constructed or rehabilitated housing that is ***developed prior to the HAP contract term***, HHA must inspect each proposed PBV unit before execution of the HAP contract. Each proposed PBV unit must fully comply with housing quality standards prior to HAP contract execution.

   b) ***(Upon implementation of the applicable HOTMA provision)*** For rehabilitated housing that will undergo development activity ***after HAP contract execution***, HHA must conduct unit inspections in accordance with the requirements of 24 CFR 983.157.

   c) For units that have undergone substantial improvement (as defined in 24 CFR 983.3(b)) pursuant to 24 CFR 983.207(d) or 983.212, HHA will inspect each unit. Each PBV unit that underwent substantial improvement must fully comply with housing quality standards prior to HHA adding the unit to the HAP contract, returning the unit temporarily removed to the HAP contract, allowing re-occupancy of the unit, and resuming housing assistance payments, as applicable.

Turnover Inspections

HHA shall inspect each contract unit before providing assistance to a new family including at unit turnover. HHA will not provide assistance in turnover units until the unit fully complies with inspection requirements.

MTW Policy

MTW Waiver: 5.a. – Pre-Qualifying Unit Inspections

Approval Date: FY 2022

Applicable To: All MTW-assisted households

Description: Under this activity, HHA may conduct pre-qualifying unit inspections to determine if the unit meets inspection requirements provided that the pre-qualifying unit inspection is done no more than 90 days prior to the participant occupying the unit.

The Pre-Qualifying Unit Inspection policy applies to Pre-Selection Inspections of existing housing, Pre-HAP Contract Inspections and Turnover Inspections.

Families may request an interim inspection by contacting HHA at any time in accordance with HHA inspection policies.

Biennial Inspections

At least once every 24 months during the term of the HAP contract, HHA shall inspect all project-based units.

However, HHA reserves the right to inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with inspection requirements; turnover inspections are not counted toward meeting this inspection requirement. HHA shall generally perform all required inspections in a PBV project at the same time. If HHA has opted to inspect a sample of units and more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, HHA shall reinspect 100 percent of the contract units in the building.

MTW Policy

MTW Waiver: 5.d. – Alternative Inspection Schedule

Approval Date: FY 2022

Applicable To: All MTW-assisted households

Description: This activity authorizes HHA to implement an alternative inspection schedule for HCV units based on agency assessment of the age, property/unit condition, quality of property management and/or other relevant factors for individual units or buildings under a Housing Assistance Payments contract.

The alternative inspection will require that all qualifying units be inspected and meet NSPIRE standards at least once every three years.

All program participants will be able to request an interim inspection in accordance with HHA Administrative Plan policies.

HUD shall be able to conduct or direct HHA to conduct inspections at any time for health, safety and/or accessibility purposes.

Other Inspections

HHA shall inspect contract units whenever needed to determine that the contract units comply with inspection requirements and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract, taking into account complaints and any other information coming to its attention in scheduling inspections.

HHA shall conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an inspection requirements violation, and shall conduct inspections as needed to determine the basis for exercise of contractual and other remedies for owner or family violation of inspection requirements.

In conducting supervisory quality control inspection requirements inspections, HHA will include a representative sample of both tenant-based and project-based units.

Inspecting HHA-Owned Units

MTW Policy

MTW Waiver: 5.c. – Inspections Third-Party Requirement

Approval Date: FY 2022

Applicable To: All HHA-owned PBV units

Description: Under this activity HHA is authorized to perform NSPIRE inspections on PBV units that it owns, manages, and/or controls as an alternative to having inspections conducted by a third party.

All such inspections will be conducted using NSPIRE standards found at 24 CFR 982.401 (or corresponding successor standards i.e. NSPIRE).

To ensure the consistent and uniform application of inspections standards, HHA supervisory staff will conduct quality control inspections on a random sample of units in accordance with the established Inspection Quality Assurance Method.

Program participants may request an interim inspection by contacting HHA in accordance with the policies described in this Plan.

If requested by HUD, HHA will obtain the services of a third-party entity to determine if HHA-owned units pass inspections standards.

22.8 REHABILITATED AND NEWLY CONSTRUCTED UNITS

Rehabilitated and newly constructed housing selected for PBV assistance may not at a later date be selected for PBV assistance as existing housing.

22.8.1 Agreement to Enter into HAP Contract

HHA will enter into an Agreement to enter into HAP contract (AHAP) with the owner of the property. In the AHAP, the owner agrees to develop the contract units to comply with HUD's and HHA's inspection requirements and HHA agrees that, upon timely completion of such development activity in accordance with the terms of the AHAP, HHA will enter into an initial HAP contract with the owner for the contract units. The AHAP will cover a single project or it may cover multiple projects that each consist of a single-family building.

The effective date of the AHAP is on or after the date the AHAP is executed, but prior to the commencement of development activity and will be in the form and include the contents required by HUD under 24 CFR 983.154(e). Development activity will not commence after the date of proposal submission (for housing subject to competitive selection) or the date of HHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and before the effective date of the AHAP.

22.8.2 Labor Standards

If an AHAP covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. Further, these Davis-Bacon requirements apply to existing PBV units when the nature of any work to be performed either before the execution of the HAP contract or within 18 months after execution constitutes project development. Any development initiated on existing units within 18 months after the effective date of the HAP contract on projects with nine or more contract units triggers Davis-Bacon requirements.

The AHAP will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The addendum to the HAP contract, Form HUD-5679, also includes the required labor standards clauses.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. HHA shall monitor compliance with labor standards.

22.8.3 Equal Opportunity

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

22.8.4 Accessibility

The design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, including 8.22 and 8.23; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR Part 35, including 24 CFR 35.150 and 35.151, apply to development activity.

22.8.5 Broadband Infrastructure

Any development activity that constitutes substantial rehabilitation as defined under 24 CFR 5.100 of a building with more than four rental units and where the proposal or project selection date or the start of the development activity while under a HAP contract is after January 19, 2017, will include installation of broadband infrastructure as defined under 24 CFR 100, except where the owner determines and documents that:

1. The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
2. The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
3. The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

A description of any required work item resulting from this requirement must be included in the AHAP or HAP contract.

22.8.6 Owner Disclosure

The AHAP and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the AHAP, the HAP contract, or HUD regulations.

22.8.7 Evidence of Completion

At a minimum, the owner must submit the following evidence of completion to HHA in the form and manner required by HHA:

1. Owner certification that the work has been completed in accordance with inspection requirements and all requirements of the AHAP; and

2. Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At HHA's discretion, the AHAP may specify additional documentation that must be submitted by the owner as evidence of housing completion.

Until/unless waived by HHA pursuant to a HUD-approved MTW wavier, in the case of HHA-owned units, the owner must submit evidence and certify to the independent entity that development activity or substantial improvement has been completed, and that all such work was completed in accordance with the applicable requirements. The independent entity must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

22.8.8 HHA Acceptance of Completed Units

Upon notice from the owner that the housing is completed, HHA will inspect to determine if the housing has been completed in accordance with the AHAP, including compliance with inspection requirements and any additional requirements imposed under the AHAP.

If the work has not been completed in accordance with the AHAP, HHA will not enter into the HAP contract.

If HHA determines the work has been completed in accordance with the AHAP and that the owner has submitted all required evidence of completion, HHA will:

1. For units which will not undergo development activity after HAP contract execution, submit the HAP contract for execution by the owner and then execute the HAP contract;
2. ***(Upon implementation of the applicable HOTMA provision)*** For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution under 24 CFR 983.157(b), submit the HAP contract for execution by the owner and then execute the HAP contract;
3. ***(Upon implementation of the applicable HOTMA provision)*** For development activity after the HAP contract execution, amend the HAP contract rider to designate the completed units as available for occupancy, or if the owner has completed all development activity as provided in the rider, amend the HAP contract to delete the rider; or
4. For units that underwent substantial improvement in order to be added to the HAP contract, amend the HAP contract to add the units to the HAP contract.

22.9 HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

HHA will enter into a HAP contract with an owner for units that are receiving PBV assistance. Each project will be covered by a separate contract, except where HHA and the owner agree to place multiple projects, each consisting of a single-family building, under one HAP contract. The HAP contract will be in the form as prescribed by HUD, including all information as indicated under 24 983.203.

22.9.1 HAP Contract Execution

HHA will not enter into a HAP contract until each contract unit has been inspected and HHA has determined that the unit complies with inspection requirements. For existing housing, the HAP contract shall be executed promptly after HHA selects the owner proposal and determines the

housing units have met inspection requirements. For newly constructed or rehabilitated housing, the HAP contract will be executed after HHA has inspected the completed units and has determined that they have been completed in accordance with applicable requirements, HUD's inspection requirements, and any additional requirements specified by the AHAP, and the owner submits all required evidence of completion.

22.9.2 Term of HAP Contract

HHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of HHA-owned units, the term of the HAP contract must be agreed upon by HHA and the independent entity approved by HUD.

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

HHA and the owner may agree at any time before expiration of the HAP contract to execute one or more extensions of the HAP contract term. The following conditions apply:

1. Each extension executed must have a term that does not exceed 20 years;
2. At no time may the total remaining term of the HAP contract, with extensions, exceed 40 years;
3. Before agreeing to an extension, HHA must determine that the extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities; and
4. Each extension must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

22.9.1 Termination by HHA

The HAP contract will provide that the term of HHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by HHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, HHA may terminate the HAP contract by notice to the owner.

If HHA determines that the owner has breached the HAP contract, HHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination.

22.9.1 Nonextension by Owner

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify HHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice

period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

22.9.2 Termination or Expiration Without Extension

Unless a termination or expiration without extension occurs due to a determination of insufficient funding or other extraordinary circumstances determined by HUD, upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher at least 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, HHA is not required to issue the family a voucher if HHA has offered the family an alternative housing option, and the family chooses to accept the alternative housing option instead of the voucher.

Tenant-based assistance does not begin until the owner's required notice period ends. The family may opt to remain in the unit using the tenant-based voucher provided that it meets the requirements of the tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

The owner may not refuse to initially lease the unit to the family except where the owner will use the unit for a purpose other than a residential unit. The owner may not later terminate the tenancy of the family except for the grounds listed under 24 CFR 983.206(b)(4).

22.9.3 Termination by Owner

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to HHA. In this case, families living in the contract units must be offered tenant-based assistance.

22.9.1 Mutual Termination

If HHA and the owner agree to terminate the HAP contract prior to the end of the term the owner must give notice to HHA in accordance with 24 CFR 983.206(a). In this case, families living in the contract units must be offered tenant-based assistance.

22.9.2 Remedies for Inspection Violations

HHA will abate and terminate PBV HAP contracts for non-compliance with inspection standards in accordance with the policies used in the tenant-based voucher program; however, where PBV contracts are concerned, HHA may reduce the number of contract units.

A unit is in noncompliance with inspection requirements if:

1. HHA or other inspector authorized by the state or local government determines the unit has deficiencies based upon an inspection;
2. HHA or the inspector notifies the owner in writing of the unit inspection deficiencies; and
3. The unit inspection deficiencies are not remedied within the required timeframes.

If the deficiency is caused by the tenant, any member of the household, or any guest or other person under the tenant's control, other than any damage resulting from ordinary use, HHA may waive the owner's responsibility to remedy the violation. In such a case, housing assistance payments to the owner will not be withheld or abated. However, HHA may terminate assistance to a family because of an inspection breach beyond damage resulting from ordinary use caused by any member of the household or any guest or other person under the tenant's control, which may result in removing the unit from the HAP contract. The family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected when required.

In the case of an inspection deficiency caused by fire, natural disaster, or similar extraordinary circumstances, HHA may permit the owner to undertake substantial improvement in accordance with 24 CFR 983.212. However, so long as the contract unit with deficiencies is occupied, HHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

This section does not apply to units unavailable for occupancy in a project undergoing development activity after HAP contract execution. However, in the case of any contract unit with deficiencies that is occupied, HHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract.

Voucher Issuance Due to Inspection Noncompliance

If an owner fails to make repairs when required and the unit is removed from the HAP contract or the HAP contract is terminated, HHA will issue a tenant-based voucher to the family whose unit will be removed. A family may elect to remain in the project if the project contains a unit that meets the tenant-based voucher program requirements, with priority given to families who will remain in the same unit if there are insufficient units available to accommodate all families that wish to remain.

The voucher:

1. Must be issued at least 30 days prior to the removal of the unit or termination of the HAP contract; and
2. Be good for at least 90 days or longer as determined by HHA is reasonably necessary.

If the family is unable to lease a new unit within the period provided by HHA, HHA will offer, and if accepted, provide the family a selection preference for an appropriate-size public housing unit that first becomes available for occupancy after the voucher expires.

HHA in its sole discretion may assist families relocating under such circumstances in finding a new unit, including using up to two (2) months of the withheld and abated assistance payments for costs directly associated with relocating to a new unit, including security deposits, temporary housing costs, or other reasonable moving costs as determined by HHA. If HHA uses withheld and abated assistance payments to assist with the family's relocation costs, it will provide security deposit assistance to the family as necessary. HHA will not require any amount of such additional assistance to be repaid to HHA.

22.9.3 Substitution or Addition of Contract Units

At HHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a previously

covered contract unit. Before any such substitution can take place, HHA will inspect the proposed unit and determine the reasonable rent for the unit.

HHA and the owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without a new proposal selection, provided that the total number of units in the project that will receive PBV assistance will not exceed the limitations in 24 CFR 983.6 or 24 CFR 983.54. The additional PBV units are subject to the **PBV Program Cap**, reasonable rent determinations and compliance with inspection requirements.

If the units to be substituted or added to the HAP contract are occupied:

1. The family occupying the unit must be eligible for assistance,
2. The unit must be the appropriate size for the family under HHA's subsidy standards,
3. The family must be selected from the waiting list in accordance with applicable selection policies; and
4. If the unit is occupied by a family assisted under a tenant-based voucher immediately prior to the unit being placed on the PBV HAP contract, the tenant-based HAP contract for the unit must terminate before the unit may be placed under the PBV HAP contract.
    a. The family occupying the unit is not a new admission to the voucher program.
    b. If the family is in the initial term of the tenant-based lease, the family must agree to mutually terminate the tenant-based lease with the owner and enter into a PBV lease.
    c. If the initial term of the tenant-based lease has passed or the end of that term coincides with the time at which the unit will be placed on the PBV HAP contract, upon the owner's decision not to renew or to terminate the tenant-based lease, the family must agree to relinquish then tenant-based voucher and enter into a PBV lease.

22.9.4 Removal of Units from the HAP Contract

Units occupied by families whose income has increased during their tenancy resulting in the tenant rent equaling the rent to the owner, shall be removed from the HAP Contract 180 days following the last housing assistance payment on behalf of the family.

If the project is fully assisted, HHA may reinstate the unit removed to the HAP contract after the ineligible family vacates the property. If the project is partially assisted, HHA may substitute a different unit for the unit removed from the HAP contract when the first eligible substitute becomes available.

22.9.5 Housing Quality and Design Requirements

The owner is required to maintain and operate the contract units and premises in accordance with NSPIRE, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with HHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

HHA may identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. HHA will specify any special design standards or

additional requirements in the invitation for PBV proposals, the AHAP contract and the HAP contract.

22.9.6 Vacancy Payments

Generally, HHA will not make vacancy payments to owners in the PBV program.

However, at HHA's discretion, on a case-by-case basis, the HAP contract may provide for vacancy payments to the owner for up to a 60-day period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment shall not exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

22.10 SELECTION OF PBV PROGRAM PARTICIPANTS

22.10.1 In-Place Families

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by HHA is considered an *in-place family*. These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family shall be placed on HHA's waiting list. Once the family's continued eligibility is determined, the family must be given an absolute selection preference and HHA shall refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

22.10.2 Organization of the Waiting List

HHA will use separate waiting lists for PBV units in individual projects or building or for sets of such units. As applicable, the waiting list may establish criteria or preferences for occupancy of particular units.

22.10.3 Owner Maintained Waiting List

HHA will require the owner to maintain the site-specific waiting lists for their project. HHA will also permit an owner to maintain a single waiting list across multiple projects owned by the owner. Under an owner-maintained waiting list, the owner is responsible for carrying out responsibilities and notifying HHA of all actions taken, including, but not limited to, processing changes in applicant information, removing an applicant's name from the waiting list, and opening and closing the waiting list.

Where HHA allows for owner-maintained waiting lists, all the following apply:

1. The owner must develop and submit a written owner waiting list policy in a Tenant Selection Plan (TSP) to the HHA for approval. The owner waiting list policy in the TSP must include policies and procedures concerning waiting list management and selection of applicants from the project's waiting list, including any admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the waiting list. The owner must receive approval from the HHA of its

owner’s waiting list policy in a TSP in accordance with the process established in HHA’s Administrative Plan. The owner's waiting list policy in the TSP will be incorporated in HHA’s Administrative Plan.

2. The owner must receive approval from the HHA for any preferences that will be applicable to the project. The HHA will approve such preferences as part of its approval of the owner's waiting list policy in the TSP. Each project may have a different set of preferences. Preferences must be consistent with the HHA’s Administrative Plan and listed in the owner's waiting list policy in the TSP.
3. The owner is responsible for opening and closing the waiting list, including providing public notice when the owner opens the waiting list in accordance with 24 CFR 982.206. If the owner-maintained waiting list is open and additional applicants are needed to fill vacant units, the owner must give public notice in accordance with the requirements of 24 CFR 982.206 and the owner waiting list policy in the TSP.
4. All applicants must apply through the HHA for placement on any project's PBV waiting list. The HHA will disclose to the applicant all the PBV projects available to the applicant, including the project’s contact information and other basic information about the project.

22.10.4 Selection from the Waiting List

HHA has delegated to the owner preliminary eligibility and preference determination to make preliminary eligibility determinations for purposes of placing the family on the waiting list, and preference eligibility determinations.

The owner is responsible for notifying the family of the owner's determination not to place the applicant on the waiting list and a determination that the family is not eligible for a preference. In such a case, the owner is responsible to provide the notice at 24 CFR 982.554(a) of this title. The HHA is then responsible for conducting the informal review.

Once an owner selects the family from the waiting list, conducts applicant screening and determines the family meets site-specific requirements, including any eligible preferences, the owner refers the family to the HHA who then determines the family's final program eligibility. The owner may not offer a unit to the family until the HHA determines that the family is eligible for the program.

All HCV waiting list administration requirements that apply to the PBV program (24 CFR part 982, subpart E, other than 24 CFR 982.201(e), 982.202(b)(2), and 982.204(d)) apply to owner-maintained waiting lists.

The HHA is responsible for oversight of owner-maintained waiting lists to ensure that they are administered properly and in accordance with program requirements, including but not limited to nondiscrimination and equal opportunity requirements under the authorities cited at 24 CFR 5.105(a). The owner is responsible for maintaining complete and accurate records as described in 24 CFR 982.158. The owner must give the HHA, HUD, and the Comptroller General full and free access to its offices and records concerning waiting list management, as described in 24 CFR 982.158(c). HUD may undertake investigation to determine whether the HHA or owner is in violation of authorities and, if unable to reach a voluntary resolution to correct the violation, take an enforcement action against either the owner or the HHA, or both.

Except for units which are occupied by eligible *in-place* tenants upon the commencement of the project based contract term, when a vacancy exists at a PBV site, the owner will notify the next family or families on the appropriate HHA PBV waiting list first, then notify HHA of the selection. The owner will inform applicants that if the applicant is interested in residing in the vacant PBV unit that the applicant will not lose their place on the HHA's Section 8 waiting list (if applicable) until that person has been leased in the PBV unit.

All applicants indicating interest in the PBV units will be selected by the owner in chronological order by preference category, if applicable, and prescreened for site-specific requirements, then referred to HHA for HCV program eligibility. Applicants must meet all of HHA's applicable eligibility and suitability requirements. HHA will refer qualified applicants to the owner for all vacancies. If the HHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer a Section 8 eligible individual or family from the owner's waiting list to the PBV waiting list. The referred family must meet the HHA's waiting list priority criteria.

For VASH PBV, applicants referred by the VA indicating interest in the PBV units will be prescreened by the HHA for HCV eligibility and referred to the owner in chronological order.

22.10.5 Units with Accessibility Features

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, HHA shall first refer to the owner families who require such features.

22.10.6 Preferences

HHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, or mobility impaired persons for accessible units).

In addition, HHA has established the following selection preference(s) for occupancy of particular PBV developments or units.

1. **Transitional Housing Program Preference**

   HHA has a preference for applicants needing to be re-housed because their current assisted housing program is ending. In order to qualify for this preference, all of the following requirements must be met:

   a) The applicant must be a participant in good standing with a grant-funded, targeted-population, subsidized housing program (such as HOME, TBRA, Rapid Re-Housing, or HHA-administered COVID-19 program) or other temporary or transitional housing program; and

   b) The applicant's participation in the program is ending due to reaching the end of their program eligibility and/or due to the grant funding for the program being discontinued; and

   c) The applicant must be referred to HHA directly in writing by an organization or government entity with which HHA has an Inter-governmental Agreement (IGA), Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), or other similar agreement.

Referrals will be accepted continuously, even when the waiting list is closed to other applicants.

Once approved by HHA, the applicant must meet owner selection criteria, in accordance with the PBV site's Tenant Selection Plan (TSP) or other applicable screening criteria.

2. **Voluntary Services** (as applicable for particular PBV sites)

   HHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units. HHA will not grant a preference to a person with a specific disability. In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

3. **Referrals** (as applicable for particular PBV sites)

   In addition to the preferences listed above, HHA will provide a selection preference for applicants referred to HHA by HHA-approved partners, where such a preference is required by the individual PBV development's Tenant Selection Plan (TSP) or other applicable requirements.

22.11 Screening

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program (see **ELIGIBILITY**); however, eligible at original admission to the program means that the family must be eligible for PBV assistance within 60 days prior to commencement of PBV assistance.

22.12 Offer of PBV Assistance

22.12.1 Refusal of Offer

If a family refuses HHA's offer of PBV assistance or the owner rejects a family for admission, the family's position on HHA's waiting list for TBV assistance is not affected.

If an applicant on a PBV site-based waiting list refuses two PBV offers without good cause (see **Good Cause Refusal of PBV Units**), the owner and HHA will remove the applicant from that PBV site-based waiting list; however, the applicant will retain their position on all other waiting lists. The applicant may reapply if the applicable PBV waiting list is open; however, the applicant will receive a new date and time of application.

HHA shall not take any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

1. Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
2. Deny any admission preference for which the applicant qualifies;
3. Change the applicant's place on the tenant-based voucher waiting list based on preference, date, and time of application, or other factors affecting selection under the HHA's selection policy;

4. Remove the applicant from the tenant-based voucher waiting list.

However, HHA (or the owner in the case of owner-maintained waiting lists) is not required to open a closed waiting list to place the family on that waiting list.

22.12.2 Good Cause Refusal of PBV Units

Applicants may refuse to accept a unit offer for *good cause*. If a good cause for refusal is verified by HHA, applicants/tenants may retain their position on the PBV site-based waiting list. *Good cause* includes circumstances where:

1. The family determines the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs;
2. The unit has inspection deficiencies;
3. The family is unable to accept the offer due to circumstances beyond the family's control (such as hospitalization, temporary economic hardship, or natural disaster); and
4. The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking.

HHA will require documentation of good cause for unit refusals and will verify all claims of good cause. Good cause refusal policies may also be applied to unit offers related to applicable transfers.

22.12.3 Disapproval by Landlord

If a PBV owner rejects a family for admission to the owner's units, such rejection shall not affect the family's position on the tenant-based voucher waiting list; however, the family shall be removed from the site-based waiting list for which the family was rejected by the owner. Owners must retain documentation used to screen and determine suitability and must promptly notify, in writing, any rejected applicant of the grounds for any rejection. If requested by HHA owners must supply HHA with information regarding the rejection of the applicant, in order for HHA to determine compliance with the owner's Tenant Selection Plan (TSP) and fair housing requirements.

Applicants who are rejected by the owner are not entitled to an informal review with HHA.

22.12.4 Acceptance of Offer

Family Briefing

When a family accepts an offer for PBV assistance, HHA will give the family an oral briefing. The briefing must include information on how the program works, the responsibilities of the family and owner, and the family's right to move. In addition to the oral briefing, HHA will provide a briefing packet that explains how it determines the total tenant payment for a family, the family obligations under the program, applicable fair housing information, and the family's right to move.

Persons with Disabilities

If an applicant family's head or spouse is disabled, HHA will take appropriate steps to ensure effective communication, in accordance with 24 CFR 8.6 and 28 CFR 35, Subpart E, and will provide information on the reasonable accommodation process in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available.

HHA will refer a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

HHA will take reasonable steps to ensure meaningful access by persons with limited English proficiency.

22.12.5 Owner Selection of Tenants

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease.

22.13 LEASING

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by HHA from HHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on HHA's subsidy standards.

22.13.1 Filling Vacancies

The owner must notify HHA in writing (via mail, fax, or email) within five business days of learning about any vacancy or expected vacancy.

HHA will make reasonable efforts to refer program eligible families to the owner within a reasonable timeframe of (1) receiving such notice from the owner, and (2) receiving a referral of a pre-screened applicant that meets site-specific screening requirements, including any eligible preferences.

22.13.2 Reduction in HAP Contract Units Due to Vacancies

If any contract units have been vacant for 120 days, HHA may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The amendment to the HAP contract will be effective the first day of the month following the date of the HHA's notice.

22.13.3 HHA Responsibility

HHA does not conduct screening to determine a PBV applicant family's suitability for tenancy. HHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover NSPIRE inspection or before. HHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

22.13.4 Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

1. Payment of rent and utility bills;
2. Caring for a unit and premises;

3. Respecting the rights of other residents to the peaceful enjoyment of their housing;
4. Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
5. Compliance with other essential conditions of tenancy.

22.14 OCCUPANCY

22.14.1 Lease

After an applicant has been selected from the waiting list, determined eligible by HHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

The owner shall ensure the lease is compliant with state and local law. HHA will not review the owner's lease for compliance with state or local law.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term.

For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

1. The owner terminates the lease for good cause;
2. The tenant terminates the lease;
3. The owner and tenant agree to terminate the lease;
4. HHA terminates the HAP contract;
5. HHA terminates assistance for the family.

22.14.2 Changes in the Lease

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give HHA a copy of all changes.

The owner must notify HHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by HHA and in accordance with the terms of the lease relating to its amendment. HHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The

redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

22.14.3 Owner Termination of Tenancy

The owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program, with two exceptions. In the PBV program, terminating tenancy for *good cause* does not include doing so for (1) a business or economic reason, or (2) a desire to use the unit for personal or family use or other non-residential purpose.

22.14.4 Tenant Absence from the Unit

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by HHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. HHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

22.14.5 Continuation of Housing Assistance Payments

Housing assistance payments will continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by HHA. After the 180-day period, the unit will be removed from the HAP contract pursuant to 24 CFR 983.211.

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify HHA of the change and request an interim reexamination before the expiration of the 180-day period.

22.14.6 Security Deposits

Owners may collect a security deposit that is reasonable and comparable to security deposits collected for similar, unassisted units in the area. HHA prohibits security deposits in excess of private market practice or in excess of amounts charged to unassisted tenants.

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

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

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. HHA has no liability or responsibility for payment of any amount owed by the family to the owner.

22.14.7 Overcrowded, Under-Occupied, and Accessible Units

If HHA determines that a family is occupying a wrong size unit, based on HHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, HHA will promptly notify the family and the owner of this determination, and within 60 days of the determination HHA will offer the family the opportunity to receive continued housing assistance in another available unit. HHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

1. PBV assistance in an appropriately sized unit in the same building or project;
2. PBV assistance in an appropriately sized unit in another project; and
3. Tenant-based voucher assistance.

If no continued housing assistance is available: HHA will remove the wrong-sized or accessible unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher.

If HHA offers the family a tenant-based voucher: HHA will terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by HHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, HHA will remove the unit from the HAP contract.

If HHA offers a family another form of assistance that is not a tenant-based voucher: the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, HHA will terminate the housing assistance payments at the expiration of this 30-day period. HHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member. The family may request and HHA may grant one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate, affordable, safe, and geographically proximate replacement housing.

22.14.8 Family Right to Move

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HHA. If the family wishes to move with continued tenant-based assistance, the family must contact HHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements (exceptions may be made for families seeking protection under VAWA), HHA shall offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, HHA will give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

22.14.9 Emergency Transfers under VAWA

Except where special consideration is needed for the PBV program, HHA will follow VAWA policies as described in the Administrative Plan including using the Emergency Transfer Plan (see **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**) as the basis for PBV transfers under VAWA.

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, HHA will provide several options for continued assistance.

HHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where HHA has PBV units. HHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance or assistance in HHA's public housing program. Such a decision will be made by HHA based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, HHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where HHA has PBV units. HHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to HHA's public housing program.

22.15 Determining Rent to Owner

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the AHAP contract states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with HHA and program requirements, at such time that there is a ten percent or greater decrease in the published FMR, and as applicable, at the time of automatic adjustment by an operating cost adjustment factor (OCAF).

22.15.1 Rent Limits

Except for certain tax credit units, the rent to owner must not exceed the lowest of the following amounts:

1. An amount determined by HHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-applicable exception payment standard) for the unit bedroom size minus any utility allowance;
2. The reasonable rent; or

3. The rent requested by the owner.

22.15.2 Certain Tax Credit Units

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

1. The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
2. The contract unit is not located in a qualified census tract;
3. There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
4. The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard.

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

1. The tax credit rent minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner.

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

22.15.3 Use of FMRs, Exception Payment Standards, and Utility Allowance

When determining the initial rent to owner, HHA shall use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, HHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, HHA may, for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Applicable HUD-approved exception payment standards under the tenant-based voucher program also apply to the project-based voucher program.

22.15.4 Use of Small Area FMRs (SAFMRs)

Citywide FMRs are currently utilized for the Project Based Voucher program.

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If HHA adopts this policy, it will apply to all future PBV projects and HHA's entire jurisdiction. HHA and

owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if HHA subsequently changes its policy.

Further, HHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. HHA and the owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if HHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

22.15.5 Redetermination of Rent

HHA shall redetermine the rent to owner upon the owner's request consistent with the requirements of this Administrative Plan, when there is a 10 percent or greater decrease in the published FMR, to correct errors in rent calculations in accordance with HUD requirements, when there is a change to allocation of responsibilities for utilities, and/or as applicable, at the time of automatic adjustment by an operating cost adjustment factor (OCAF).

Adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

Rent Increase

An owner's request for a rent increase must be submitted to HHA 60 calendar days prior to the anniversary date of the HAP contract and/or HAP contract extension date, and must include the new rent amount the owner is proposing.

HHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with inspection requirements. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Where the owner is requesting a rent increase, HHA will determine whether the requested increase is reasonable. The owner will be notified of the determination in writing.

Any increase in rent to owner is effective on the annual anniversary of the HAP contract. A rent increase may occur either through automatic adjustment by an OCAF or as the result of an owner request for a rent increase. The owner does not need to request a rent adjust when a rent increase occurs through an OCAF since HHA redetermines the rent automatically under that option.

OCAF

HHA will allow for rent increases by OCAF rather than owner request on a case-by-case basis, including allowing for additional increases up to an amount determined by HHA pursuant to 24 CFR 983.301(b) and (c) if requested by the owner in writing. When HHA allows for rent increases by OCAF, at the point of contract extension, the contract will require an additional increase up to an amount determined by HHA if requested by the owner in writing.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent

amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

If the HAP contract provides for rent adjustments by an OCAF and there is a decrease in the fair market rent, tax credit rent, or reasonable rent that requires a decrease to the rent to owner, the rent to owner will be decreased.

However, at any time during the term of the HAP contract, HHA may elect within the HAP contract to not reduce rents below the initial rent to owner. Where HHA makes such an election, the rent to owner will not be reduced below the initial rent to owner, except:

- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

Notice of Rent Change

HHA will provide the owner with 30 days written notice of any change in the amount of rent to owner.

22.15.6 Rent for HHA-Owned Units

MTW Policy

MTW Waiver: 2.d. – Rent Reasonableness Third-Party Requirement

Approval Date: FY 2023

Applicable to: All HHA-owned PBV households

Description: This activity authorizes HHA to perform rent reasonableness determinations on PBV units that it owns, manages and/or controls, and waives certain provisions of the Housing Act of 1937 along with HUD regulations at 24 CFR 982.352(b) and 24 CFR 983.303.

HHA is authorized to conduct rent reasonableness determinations on PBV units that it owns, manages and/or controls in accordance with other applicable HUD regulations and consistent with the way the agency conducts rent reasonableness for all other units leased under the HCV program, i.e. HHA will determine that rents charged for these units are reasonable when compared to similar unassisted units in the market area.

As required under the MTW Operations Notice, HHA has established a quality assurance method to ensure impartiality.

22.15.7 Reasonable Rent

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by

HHA, except where HHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract. However, the rent to owner must be reduced:

1. To correct errors in calculations in accordance with HUD requirements;
2. If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55; and/or
3. If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

If HHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

When Rent Reasonable Determinations Are Required

HHA will redetermine the reasonable rent in accordance with 24 CFR 983.303 for a unit receiving PBV assistance whenever any of the following occur:

1. There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
2. HHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
3. The HAP contract is amended to add or substitute a different contract unit in the same building or project;
4. HHA accepts a completed unit after development activity that is conducted after HAP contract execution in accordance with 24 CFR 983.156(b)(3); and/or
5. There is any other change that may substantially affect the reasonable rent.

22.15.8 Effect of Other Subsidy

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, HHA will reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

1. An insured or non-insured Section 236 project;
2. A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
3. A Section 221(d)(3) below market interest rate (BMIR) project;
4. A Section 515 project of the Rural Housing Service;

5. Any other type of federally subsidized project specified by HUD.

22.16 PAYMENTS TO OWNER

During the term of the HAP contract, HHA shall make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments shall be made for each month that a contract unit complies with NSPIRE and is leased to and occupied by an eligible family. The housing assistance payment shall be paid to the owner on or about the first day of the month for which payment is due unless the owner and HHA agree on a later date.

Except for discretionary vacancy payments, HHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract.

22.16.1 Housing Assistance Payments Upon Move-Out

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out.

However, the owner may not keep the payment if HHA determines that the vacancy is the owner's fault. If HHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, HHA will notify the landlord of the amount of housing assistance payment that the owner must repay. HHA will require the owner to repay the amount owed.

22.16.2 Vacancy Payments

Generally, HHA will not make vacancy payments to owners in the PBV program. However, at HHA's discretion, on a case-by-case basis, the HAP contract may provide for vacancy payments to the owner. See **Vacancy Payments** for additional requirements.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified HHA of the vacancy.

In order for a vacancy payment request to be considered, it must be made within ten (10) calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and HHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by HHA within ten (10) calendar days of HHA's request, no vacancy payments will be made.

22.16.3 Tenant Rent to Owner

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by HHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the HHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus any applicable utility allowance). The appropriate utility allowance for a project-based unit is the utility allowance for the size of the dwelling unit actually leased.

The amount of the tenant rent determined by HHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by HHA. The owner must immediately return any excess payment to the tenant.

22.16.4 Tenant and HHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by HHA.

HHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. HHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. HHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

22.16.5 Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, HHA shall pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner shall be zero.

22.16.6 Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

22.16.7 Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

22.17 PROJECT-BASING VASH VOUCHERS

HHA is authorized to project-base its tenant-based VASH vouchers without additional HUD review or approval in accordance with Notice PIH 2017-21 and all PBV program requirements provided that the VAMC will continue to make supportive services available. If HHA project-bases VASH vouchers, HHA will consult with the partnering VAMC or DSP to ensure approval of the project or projects.

Additionally, as permitted under the Revised VASH Implementation Notice (FY-6476-N-01), HHA may select one or more PBV projects with units made exclusively available to VASH families on the site of a VA facility without a competitive process.

If VASH supportive services are available at the VASH-PBV project, HHA may admit a family whose total tenant payment (TTP) exceeds the gross rent ("zero HAP") if they are otherwise eligible for VASH. Additionally, HHA will not remove from the HAP contract those units occupied by zero HAP families.

HHA may project-base VASH vouchers in projects alongside other PBV units and may execute a single HAP contract covering both the VASH PBVs and the other PBVs. HHA will refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a HUD set-aside award.

CHAPTER 23: RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

23.1 OVERVIEW

Under the Rental Assistance Demonstration (RAD) and with HUD's approval HHA has the authority to convert Public Housing (PH) units to the Project-Based Voucher (PBV) program. Upon conversion to PBV assistance the units and tenants will no longer be subject to the rules and regulations pertaining to HHA's PH Program, but rather the RAD PBV rules and regulations as modified by HUD in its regulations and notices related to the RAD program and as reflected in this chapter.

In specific circumstances, the policies under RAD apply differently to households that reside in the PH units prior to the RAD conversion (Conversion Households) and households that move into RAD units after the RAD conversion has taken place (New Households). The policies below will distinguish between the two family types when applicable.

Except as otherwise noted in this chapter, HHA policies for the Tenant-Based Voucher Program and Project Based Voucher Program contained in this Administrative Plan also apply to the RAD program and its participants.

This chapter describes HUD regulations and HHA policies related to the Project-Based Voucher (PBV) program under the Rental Assistance Demonstration (RAD) program. Additionally, this chapter will focus on public housing conversions to the PBV program under RAD. Requirements for public housing conversion under RAD are here referred to as the RAD PBV program, and PBV units under the standard PBV program, are referred to as the standard PBV program.

23.2 HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to:

1. Preserve and improve public and other assisted housing.
2. Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. As such, RAD aligns eligible properties more closely with other affordable housing programs.
3. Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.
4. Increase tenant mobility opportunities.

23.3 APPLICABLE REGULATIONS

On the whole, the regulations for both the standard PBV and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important

parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. Additionally, the RAD Statute imposes certain unique requirements and authorizes HUD to establish requirements for converted assistance under the Demonstration. Conversions of public housing properties through RAD, including conversions through a RAD/Section 18 Blend, will be subject to the requirements in Notice PIH 2019-23 (as amended by Supplemental Notice 4B and 4C), and as reflected in the RAD PBV HAP Contract.

Non-RAD PBV units in a project are also subject to the requirements of Notice PIH 2019-23 (as amended by Supplemental Notice 4B and 4C) in the following circumstances:

1. Any legacy non-RAD PBV units located in the covered project are subject to the same waivers and alternative requirements where noted in Notice PIH 2019-23 (as amended by Supplemental Notice 4B and 4C) and in this policy. *Legacy non-RAD PBV units* are defined as PBV assistance in a project that prior to December 31, 2024, replaced public housing at the time of conversion and that are subject to a non-RAD PBV HAP contract.
2. When/if HHA undertakes a RAD/Section 18 blend, all units are placed under a single RAD HAP contract upon conversion and are governed by the terms of Notice PIH 2019-23 (as amended by Supplemental Notice 4B and 4C).

Otherwise, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) notices and guidance, including related handbooks, apply to RAD PBV. This includes environmental review, Davis-Bacon, and fair housing requirements.

The CHAP award letter includes the relevant RAD PIH Notice which governs each RAD conversion. Accordingly, requirements may not be the same for all RAD conversions. Additionally, RAD conversions may also be subject to terms contained in subsequent RAD PIH Notices. A table of RAD conversions and related dates is included in **APPENDIX E: RAD CONVERSIONS**.

23.4 PROJECT SELECTION AND PROJECT OWNERSHIP AND CONTROL

HHA will follow all selection and project ownership requirements set forth in HUD regulations and the appliable RAD PIH Notice and applicable successor notices.

23.5 TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the HHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

23.6 RELOCATION REQUIREMENTS

For projects that apply for conversion of assistance under the First Component of RAD and will convert November 10, 2016 or later, the following applies per Notice PIH 2016-17:

1. In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed. Any legacy non-RAD PBV units located in the same project are also subject to the right to return.
2. Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents will be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements, and other requirements which may be applicable such as Section 104(d) of the Housing and Community Development Act of 1974, as amended. Where a RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year, HHA will prepare a written relocation plan.
3. HHA will undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.
4. Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either:
    a) A unit at the development once rehabilitation or construction is completed, provided the resident's household is not under-housed; or
    b) A unit in the development which provides the same major features as the resident's unit in the development prior to the implementation of the RAD conversion.
5. Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.
6. If HHA's proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. HHA will alter the project plans to accommodate the resident's right to return to the development if the resident would be precluded from returning to the development.
7. Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:
    a) Changes in the development's bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
    b) The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;
    c) Income limit eligibility requirements associated with the LIHTC program or another program; and

d) Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.

8. Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept a HHA's or owner's offer to permanently relocate to alternative housing, and thereby waive their right to return to the development after rehabilitation or construction is completed. In consent to a voluntary permanent relocation in lieu of returning to the development.
9. In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident's right to return must be accommodated within the development associated with the resident's original unit, however, HHA may treat multiple converted developments on the same site as one for purposes of right to return. Should HHA seek to have the resident exercise the right to return at a future phase, HHA will secure the resident's consent in writing.
10. Alternative housing options may involve a variety of housing options, including but not limited to:
    a) Transfers to public housing
    b) Admission to other affordable housing properties subject to the applicable program rules
    c) Housing choice voucher (HCV) assistance
    d) Homeownership programs subject to the applicable program rules
    e) Other options identified by the PHA
11. For RAD/Section 18 blends, all RAD relocation requirements (such as the resident notice and meeting requirements, the right to return, and relocation assistance and payments) as described in Notice PIH 2016-17 or successor notices apply to residents of the units subject to a Section 18 action in lieu of the relocation requirements under 24 CFR 970.21. HHA will provide the same relocation rights and benefits to all residents of the converting project.

23.7 EQUAL OPPORTUNITY REQUIREMENTS

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. These authorities prohibit discrimination and impose affirmative obligations on HUD program participants. PHAs must comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated.

23.8 RAD PBV PROJECT SELECTION

Projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2019-23. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

23.8.1 Ownership and Control

For projects governed by Notice PIH 2019-23, the following applies:

1. Under the PBV program, the contract administrator and the owner listed on the contract cannot be the same legal entity (i.e., the HHA cannot execute a contract with itself). To avoid this situation, HHA may either:
    a) Transfer the ownership of the project to an HHA nonprofit affiliate or instrumentality (including to a "single-purpose entity" that owns nothing other than the property, which will typically be a requirement of a lender or investor), or
    b) HHA may form a related entity that is responsible for management and leasing and can serve as the owner for purposes of the Section 8 HAP contract; in this scenario, the HAP is then executed between HHA (as the contract administrator) and the HHA's related entity (as the owner for HAP contract purposes).
2. Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or nonprofit entity. HUD may also allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the project, but only if HUD determines that HHA or a nonprofit entity preserves an interest in the profit. The requirement for a public or nonprofit entity, or preservation of an interest by HHA or nonprofit in a property owned by a tax credit entity controlled by a for-profit entity, is satisfied if a public or nonprofit entity (or entities), directly or through a wholly owned affiliate:
    a) Holds a fee simple interest in the property;
    b) Is the lessor under a ground lease with the property owner;
    c) Has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units,
    d) Owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable;
    e) Owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD;
    f) Owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or
    g) Demonstrates other ownership and control arrangements approved by HUD.
3. Control may be established through the terms of the project owner's governing documents or through a Control Agreement, provided that in either case amendment of the terms of control requires consent from HUD.

For projects subject to the requirements of Notice PIH 2012-32, REV-3, the following language applies:

1. Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or nonprofit entity. The requirement for a public or nonprofit entity is satisfied if a public or nonprofit entity (or entities), directly or through a wholly owned affiliate:
    a) Holds a fee simple interest in the property;
    b) Is the lessor under a ground lease with the property owner;
    c) Has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units;
    d) Owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable;
    e) Owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD;
    f) Owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or
    g) Other ownership and control arrangements approved by HUD.
2. If low-income housing tax credits will be used, HUD may allow ownership of the property to be transferred to a tax credit entity controlled by a for-profit entity if HUD determines that the PHA preserves its interest in the property. Preservation of PHA interest in the property includes but is not limited to the following:
    a) The PHA, or an affiliate under its sole control, is the general partner or managing member;
    b) The PHA retains fee ownership and leases the real estate to the tax credit entity pursuant to a long-term ground lease;
    c) The PHA retains control over leasing the property and determining program eligibility;
    d) The PHA enters into a control agreement by which the PHA retains consent rights over certain acts of the project owner and retains certain rights over the project;
    e) Other means that HUD finds acceptable

For projects that converted assistance prior to the implementation of Notice PIH 2012-32, REV-3, the following language applies:

a) During both the initial term and renewal terms of the HAP contract, ownership must be either of the following:
b) A public or nonprofit entity that has legal title to the property. The entity must have the legal authority to direct the financial, legal, beneficial, and other interests of the property; or

c) A private entity, if the property has low-income tax credits. The PHA must maintain control via a ground lease.

23.8.2 HHA-Owned Units

If the project is HHA-owned, see **Rent for HHA-Owned Units** and **Inspecting HHA-Owned Units** for policies regarding rent-setting and inspection functions.

The definition of *ownership or control* provided under Notice PIH 2019-23 is used specifically to determine whether HHA retains control over a project for purposes of HUD's requirement for ownership or control of the covered project under RAD.

23.8.3 Subsidy Layering Requirements

For projects governed by Notice PIH 2019-23, the following language applies:

1. Where RAD conversions result in HHA no longer having ACC units as a result of the pending or simultaneous closing, or have less than 50 units remaining and have initiated procedures to dispose of their final ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project or projects though the conversion. However, HHA will estimate and plan for outstanding liabilities and costs and will follow Notice PIH 2016-23 or successor notice regarding the administrative activities required to terminate the ACC if it has no plans to develop additional public housing.
2. Where HHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, HHA will be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.
3. Following execution of the HAP contract, HHA is authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, HHA may not contribute public housing program funds to the covered project unless those funds have been identified in the RCC and converted at closing for Section 8 RAD purposes.

For projects governed by Notice PIH 2012-32, REV-3, the following language applies:

1. In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered projects. In order to cover the cost of administrative activities required to terminate the ACC, once it no longer has units under the ACC and has no plans to develop additional public housing, the PHA may:
    a) Designate that a reserve associated with the project be available to fund any public housing closeout costs (such as an operating deficit reserve or a specific PHA closeout reserve). Any funds not needed for public housing closeout costs would remain in such reserve or may be transferred to another reserve associated with

the project (such as the replacement reserve). Thereafter, these funds may be used at the project pursuant to the authorized use of the applicable reserve; or

b) Retain funds under the public housing program for this purpose. However, HUD will recapture any public housing funds that a PHA does not expend for closeout costs.

2. In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

3. In addition, following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved "sources and uses" attached to the RCC.

For projects governed by the requirements of Notice PIH 2012-32, REV-2, the following language applies:

1. In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered project. HUD will recapture any public housing funds that a PHA has not expended once it no longer has units under ACC. In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

23.8.4 PBV Percentage Limitation

Covered projects do not count against the maximum amount of assistance HHA may utilize for the PBV program. See **PBV Program Cap Waiver - MTW**.

23.8.5 Unit Cap Limitation

There is no cap on the number of units that may receive RAD PBV assistance in each project. Under 24 CFR 983.54(c)(3), units excluded under 24 CFR 983.59 that were previously subject to federally required rent restrictions or received one of the listed forms of HUD

assistance do not count toward the project cap. For any RAD PBV and legacy Non-RAD PBV units in projects not already excluded under 24 CFR 983.59, including transfers of assistance to a new location, HUD waived section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR 983.54. Accordingly, units under a RAD PBV HAP contract may not be "excepted" for a specified purpose.

23.8.6 Site Selection Standards

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

To facilitate the uniform treatment of residents and units, any legacy non-RAD PBV units located in the same project are subject to the terms of this provision.

HUD will conduct a front-end civil rights review of an HHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

HHA will ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

23.8.7 Environmental Review

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Environmental documents will be submitted no later than the applicant's financing plan.

HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2019-23. Once an awardee has submitted an application for a specific project, they may not make any choice limiting actions before the completion of the environmental review.

23.9 DWELLING UNITS

This part identifies the special housing quality standards that apply to the RAD PBV program, housing accessibility for persons with disabilities, and special procedures for NSPIRE inspections.

23.9.1 Accessible Units

Federal accessibility requirements apply to all conversions including new construction, alteration, or existing facilities including Section 504 of the Rehabilitation Act of 1973 (Section 504), the Fair Housing Act (FHA), and the Americans with Disabilities Act (ADA).

When a project's rehabilitation meets the definition of a "substantial alteration" under 24 CFR Part 8.23, the project must comply with all applicable accessibility requirements under Section 504. For some projects, "other alterations," as defined in Section 504, are made over time. If other

alterations, considered together, amount to an alteration of an entire dwelling unit, the entire dwelling unit shall be made accessible.

When HHA uses RAD conversion in conjunction with new construction, the project must comply with all applicable accessibility requirements for new construction. The specific requirements are set out in regulations at 24 CFR part 8, 28 CFR part 35 and 36, and 24 CFR part 100, subpart D. Information on the design and construction requirements of the Fair Housing Act that are applicable to new construction is found at www.fairhousingfirst.org. Wherever possible, HHA will use universal design principles, visibility principles, and active design guidelines in planning retrofit and new construction work. However, adherence to universal design principles will not replace compliance with the accessibility requirements of Section 504, the ADA, and the Fair Housing Act.

See PBV policies on **Housing Accessibility for People with Disabilities**.

23.9.2 Inspection Requirements

HUD's inspection standards for the tenant-based program generally apply to the PBV program. Inspection requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

See the **INSPECTIONS** chapter and **Inspecting Units** section of the PBV chapter.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

23.9.3 Lead-Based Paint

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, and CFR 745.227 apply to the PBV program.

23.9.4 Inspecting Units

The following are the inspection types which apply to RAD units:

1. **Initial Inspection**

   Under standard PBV regulations at 24 CFR 983.103(b), HHA may not enter into a HAP contract until HHA has determined all units comply with HUD's inspection requirements. It is the responsibility of the contract administrator to perform this initial inspection (see also **Inspecting HHA-Owned Units**). In order to accommodate projects in which repairs are conducted, HUD has waived this requirement when units are undergoing rehabilitation. In this case, units must meet NSPIRE by the date indicated in the RAD Conversion Commitment (RCC).

   To place the unit under HAP contract and commence making payments, HHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units to be added to the HAP contract instead of conducting an initial inspection. During the period of the work, NSPIRE requirements apply. HHA must enforce the project owner's obligations and conduct inspections when

needed, (for example in response to tenant complaints or other information coming to its attention), and the owner must correct any deficiencies in accordance with NSIPRE requirements (i.e., no more than 24 hours for a life-threatening deficiency, and within no more than 30 calendar days or any HHA-approved extension for other defects, but no later than the date of the completion of the work as indicated in the RCC).

2. **Turnover Inspections**

   See PBV policies on **Turnover Inspections**.

3. **Biennial Inspections**

   See PBV policies on **Biennial Inspections**.

4. **Alternative Inspections**

   In the case of mixed-finance properties that are subject to alternative inspections, HHA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements.

5. **Other Inspections**

   See **Other Inspections**.

6. **Inspecting HHA-Owned Units**

   See **Inspecting HHA-Owned Units**.

23.10 Housing Assistance Payments (HAP) Contract

23.10.1 Overview

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Except for transfers of assistance, the RAD PBV HAP contract takes effect before any work begins. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with HHA who will administer the PBV assistance. Units assisted under a RAD PBV HAP contract will be subject to long-term, renewable use and affordability restrictions.

23.10.2 HAP Contract Requirements

Contract Information

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). For closings on or after January 1, 2018, HUD incorporated the RAD rider directly into the standard PBV HAP contract. For closing that occurred prior to January 1, 2018, the RAD rider must be attached to the PBV HAP contract.

The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The project must also have an initial RAD use agreement. All

public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

Agreement to Enter into a Housing Assistance Payment Agreement (AHAP) Waiver

For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D, are waived. The definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable.

Execution and Effective Date of the HAP Contract

When the conditions of the CHAP and the RCC are met and the conversion has closed, HHA will execute the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

Term of HAP Contract

The initial term of the HAP contract may not be for less than 15 years and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency.

After the expiration of a 20-year initial term of the HAP contract, the HAP contract must be renewed on a form approved by HUD, which must include language that requires rents to be re-determined in accordance with 24 CFR 983.301 and 983.302. If the RAD PBV HAP contract was renewed or extended prior to the 20th year after conversion, then starting with the 20th year after execution of the original RAD PBV HAP contract, contract rents shall be redetermined in accordance with 24 CFR 983.302 or successor regulation.

Mandatory Renewal Term for RAD PBV HAP Contract

Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to HHA and HUD approval, at another site through a future transfer of assistance. Contracts are subject to the terms and conditions applicable at the time of each offer and further subject to the availability of appropriations for each year of each such renewal. Consequently, 24 CFR 983.205(b), governing HHA discretion to renew the contract, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

Remedies for Inspections Violations

HHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with NSPIRE. If HHA determines that a contract unit does not comply with NSPIRE, HHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

23.10.3 Amendments to the HAP Contract

Floating Units

Upon request of the owner to the voucher agency that will administer the project, HUD will permit assistance to float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

If HHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

Floating units are subject to all of the requirements in this chapter, the PBV regulations and PBV policies, including physical inspections, rent adjustments and income-mixing requirements.

Reduction in HAP Contract Units

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

HHA may not reduce the number of assisted units without written HUD approval. Any HUD approval of HHA's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose.

If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HHA will reinstate the unit after the family has vacated the property. If the project is partially assisted, HHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.

23.10.4 HAP Contract Year and Anniversary Dates

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

23.10.5 Owner Responsibilities under the HAP Contract

When the owner executes the HAP contract, he or she certifies that at such execution and at all times during the term of the HAP contract:

1. All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with NSPIRE;
2. The owner is providing all services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases;

3. Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
4. To the best of the owner's knowledge, the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
5. The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
6. The amount of the HAP the owner is receiving is correct under the HAP contract;
7. The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
8. Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
9. The family does not own or have any interest in the contract unit (this does not apply to the family's membership in a cooperative); and
10. Repair work on the project selected as an existing project that is performed after HAP contract execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

23.10.6 Vacancy Payments

At the discretion of HHA, the HAP contract may provide for vacancy payments to the owner for an HHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by HHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner, including amounts available from the tenant's security deposit.

23.11 SELECTION OF RAD PBV PROGRAM PARTICIPANTS

23.11.1 Overview

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

23.11.2 Returning Conversion Households

Conversion Households that were relocated from their PH unit due to the RAD conversion will be permitted to return in accordance with the RAD Relocation Plan for their project. The RAD Relocation Plan will include criteria used to determine the priority for Conversion Households to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed. For example, if units come online in stages, the plan will outline how HHA will determine when each Conversion Household will return to the project.

23.11.3 Organization of the Waiting List

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.

HHA will establish and manage separate waiting lists for groups of projects or buildings that are receiving RAD PBV assistance.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, HHA will consider transferring such household, consistent with program requirements for administration of waiting lists, to HHA's remaining public housing waiting lists or to another voucher waiting list, in addition to transferring such household to the waiting list for the covered project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

HHA will maintain the project-specific waiting list in accordance with all applicable civil rights and fair housing regulations found at 24 CFR 903.7(b)(2)(ii)-(iv).

HHA will give priority to participants moving under a VAWA emergency transfer from one PBV development to another in accordance with HHA's Emergency Transfer Plan (see **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**).

23.11.4 Transfer of the Waiting List

Upon conversion, HHA will transfer the current applicants for the RAD converted PH units to a site-based waiting list for the RAD PBV units only. HHA reserves the right to establish new preferences for the RAD site-based waiting list. Households on the prior waiting list will automatically be placed on the site-based waiting list for the RAD PBV units based on their original date and time of application.

For transfer of assistance RAD units, HHA will create a new waiting list for the RAD site and provide public notice on how to apply to the waiting list. HHA has the authority to establish preferences for the new RAD site-based waiting list.

23.11.5 Selection from the Waiting List

After conversion to RAD PBV, applicants who will occupy units with RAD PBV assistance must be selected from HHA's waiting list. HHA may establish selection criteria or preferences for occupancy of particular PBV units.

Income Targeting

At least 75 percent of the families admitted to HHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.

Units with Accessibility Features

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, HHA will first refer families who require such features to the owner.

Preferences

HHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units.

HHA will give priority to participants moving under a VAWA emergency transfer from one PBV development to another in accordance with HHA's Emergency Transfer Plan (see **APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY**).

23.12 SCREENING

23.12.1 Prohibited Rescreening of Conversion Households

Conversion households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, conversion households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2019-23 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for conversion households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in legacy non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for legacy non-RAD PBV. Any legacy non-RAD PBV units located in the same project are also subject to the right to return.

For the RAD PBV program, *in-place family* means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

23.12.2 Screening of Tenants after Conversion

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. HHA will determine an applicant family's eligibility for the RAD PBV program in accordance with the **ELIGIBILITY** policies in this Plan.

23.13 Offer of PBV Assistance

See PBV policies on **Offer of PBV Assistance**.

23.14 Leasing

See PBV policies on **Leasing**.

23.15 Occupancy

After an applicant has been selected from the waiting list, determined eligible by HHA, referred to an owner, and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

23.15.1 Lease

The tenant must have legal capacity to enter into a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

23.15.2 Lease Requirements

The lease for a PBV unit must specify all of the following information:

1. The names of the owner and the tenant;
2. The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
3. The term of the lease (initial term and any provision for renewal);
4. The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
5. A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
6. The amount of any charges for food, furniture, or supportive services.
7. For any family admitted following conversion, the lease will specify what will happen if the family elects to remain in its unit after increasing its income such that it requires zero HAP. Specifically, the lease must make clear how the tenant rent will be calculated, and it must address the transition to a new lease. HHA will include resident procedural rights for termination notification and grievance procedures in the owner's lease. These requirements are not part of the regular PBV program but are required under RAD.

The lease terms and provisions, including all addenda and referenced documents such as House Rules, must:

1. Be reasonable, use plain language, and must not contain provisions that conflict with resident rights described in Notice PIH 2025-03 or requirements of the PBV program.
2. Be available in multiple languages as needed and written in a manner accessible to people with disabilities.
3. For any residences that qualify as “target housing” under 42 U.S.C. 4851b, comply with the Lead Disclosure Rule, as codified in 24 CFR part 35, subpart A.

The lease must not:

1. Require a new security deposit for residents in-place at the time of conversion,
2. Prohibit residents’ pets in-place at the time of conversion.
3. Be onerous or difficult for residents to understand and should not impose overly restrictive rules about what residents may or may not do in their homes.

23.15.3 Initial Term and Lease Renewal

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term will be for at least one year. The lease will provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

1. The owner terminates the lease for good cause
2. The tenant terminates the lease
3. The owner and tenant agree to terminate the lease
4. The PHA terminates the HAP contract
5. The PHA terminates assistance for the family

23.15.4 Changes in the Lease

See PBV policies on **Changes in the Lease**.

23.15.5 Tenancy Addendum

The tenancy addendum in the lease must state:

1. The program tenancy requirements
2. The composition of the household as approved by HHA (the names of family members and any HHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

23.15.6 Security Deposit

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise the security deposit requirements for standard PBV apply. If tenants in-place at RAD conversion have not previously been required to provide a security deposit, the owner cannot require a security deposit to be collected.

23.15.7 Owner Termination of Tenancy

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program. In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights will be included in the owner's lease as well as the HHA's administrative plan. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction the termination procedure for RAD conversions to PBV will require that HHA provide adequate written notice of termination of the lease, which may not be less than:

1. A reasonable period of time, but not to exceed 30 days:
    a) If the health or safety of other tenants, HHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
    b) In the event of any drug-related or violent criminal activity or any felony conviction
2. Not less than 30 days in the case of nonpayment of rent
3. Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

These provisions apply to legacy non-RAD PBV units located in the project as well.

23.15.8 Tenant Notification of Termination

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 in accordance with the lease. Before providing notice to terminate the lease, a family must contact HHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

23.15.9 Tenant Absence from the Unit

See PBV policies on **Tenant Absence from the Unit.**

23.15.10 Continuation of Housing Assistance Payments

Pre-Conversion Residents

The unit for a family with a TTP that equals or exceeds the gross rent (which is defined as the contract rent plus any utility allowance for the unit) must be placed on the PBV HAP contract and

the family must be admitted to the PBV program. In this case, and until such time as the family's TTP falls below the gross rent, the family will pay the owner the alternate rent which is defined as the lesser of:

1. The family's TTP minus the utility allowance (subject to any required phase-in); or
2. The Zero HAP Rent Cap, which is the lower of:
    a) 110 percent of the applicable FMR minus the utility allowance; or
    b) In the event the units are subject to more restrictive rent setting requirement under the LIHTC or HOME programs (or other programs approved by HUD on a project-specific basis, the rent to owner set to comply with such requirements.

The family will continue to pay this amount until/if circumstances change, and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance in which case normal PBV rent requirements will apply to the family. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the NSPIRE standards, apply as long as the unit is under HAP contract or added back to the HAP Contract. Any non-RAD PBV units located in the same project are also subject to these requirements.

After a family has paid the Zero HAP Rent Cap for a period of 180 days, HHA must remove the unit from the HAP Contract and the family's participating in the PBV program ends. If the Covered Project is fully assisted and the family subsequently leaves the property, HHA must reinstate the unit back onto the HAP contract and admit an eligible family. If the Covered Project is partially assisted and the family subsequently leaves the property, the unit must be reinstated back onto the HAP contract unless HHA previously substituted a different unit on the HAP contract in accordance with 24 CFR § 983.207 or, where "floating units" have been permitted.

Additionally, if the family continues to reside in the project after the family's unit was removed from the HAP contract, the family may request to return to the PBV program if the family's income subsequently decreases to the extent that the family's TTP is less than the Zero-HAP Rent Cap, and the family is otherwise eligible for PBV assistance. HHA must, at the earliest opportunity, reinstate the family's unit back onto the HAP contract to provide rental assistance to the family. If the project was partially assisted and HHA previously substituted a different unit on the HAP contract, HHA must substitute the family's unit for a vacant unit on the HAP contract if there is a vacant unit at the time of the request, or by doing so as soon as a unit on the HAP contract becomes vacant if there are no vacant units on the HAP contract at the time of the family request.

New Admission Families

Unless a waiver is requested and approved, following conversion, 24 CFR 983.53(d) applies, and any new admission referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program. This means a family's TTP may not equal or exceed the gross rent for the unit at admission. HHA may request a waiver from HUD in order to admit otherwise eligible families whose TTP exceeds gross rent and to allow the units those families occupy to remain under the HAP contract even if HHA has not paid HAP for the family in 180 days.

Further, for any new families admitted after the conversion, assistance will be terminated 180 days after the last housing assistance payment on their behalf. The cessation of housing

assistance payments does not affect the family's other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the 180-day window. If a family's assistance is terminated as a result of their zero HAP status, HHA must remove the unit from the HAP contract. If the project is fully assisted and the family subsequently leaves the property, HHA must reinstate the unit after the family has vacated the property and admit an eligible family. If the project is partially assisted, HHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207 or where floating units have been permitted.

Per the RAD Use Agreement, the owner may charge the family a rent that does not exceed 30 percent of 80 percent of the area median income. If a unit is removed from the RAD PBV HAP contract, then the lease terminates automatically, as stated in the tenancy addendum, as though the RAD PBV HAP contract had been terminated. The tenant must be offered a new lease, which must reflect the new tenant rent. A tenant in this circumstance is no longer a program participant and therefore no longer benefits from any of the rights or protections specific to RAD, or to the PBV program. Should the family subsequently lose employment, the owner may choose to reduce the family's rent, but if the family wishes to be admitted to the HCV/PBV program, then it must be admitted through the waiting list like any other applicant.

In circumstances where low RAD PBV rents may prohibit a significant number of otherwise eligible families on the waiting list from being admitted to the project because they do not require subsidy, and which could consequently create an undue concentration of poverty at the project compared to legacy non-RAD PBV projects, HHA may request a waiver from HUD for the covered project. The waiver will apply the alternative requirements applicable to the pre-conversion residents to new admission families.

23.15.11 Reexaminations

A family living in a unit converted from public housing to RAD PBV may retain its recertification date. Unless a family's regular reexamination is due at the same time as the effective date of the RAD PBV HAP contract, HHA does not need to recertify tenants at the point of conversion. For each family residing in a unit undergoing conversion of assistance under RAD, the administering PHA will have to submit a form HUD-50058 reflecting the family's admission to the voucher program. The effective date of the new admission will be the same as the effective date of the RAD PBV HAP contract. The form should include the same information previously found on the public housing form 50058, including the next annual reexamination date.

23.16 MOVES

23.16.1 Overcrowded, Under-Occupied, and Accessible Units

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.

Following conversion, the standard PBV regulations apply. See PBV policies on **Overcrowded, Under-Occupied, and Accessible Units**.

23.16.2 Family Right to Move

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HHA.

23.16.3 Choice Mobility

If the family wishes to move with continued tenant-based assistance, the family must contact HHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, HHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, HHA will give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset.

HHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

23.16.4 Turnover Cap

If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by HHA exceeds 20 percent of HHA's authorized units under its HCV ACC with HUD, HHA may establish a turnover cap. HHA is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If HHA chooses to establish a turnover cap and the cap is implemented, HHA will create and maintain a waiting list in the order requests from eligible households were received.

If HHA implements a turnover cap and families who requested a choice mobility voucher were denied due to the cap, the families will be given priority the following year when choice mobility vouchers are again issued since the choice mobility list will be organized by the date and time of the family's request.

23.16.5 Emergency Transfers under VAWA

See PBV policies on **Emergency Transfer Under VAWA**.

23.17 Residents' Procedural Rights

HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD to PBV and to legacy non-RAD PBV units located in the same project beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV requires that HHA provide adequate written notice of termination of the lease, which is:

1. A reasonable period of time, but not to exceed 30 days:
    a) If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
    b) In the event of any drug-related or violent criminal activity or any felony conviction.
2. Not less than 30 days in the case of nonpayment of rent
3. Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply.

23.18 Informal Reviews And Hearings

In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)–(v) (see also **Informal Hearings**), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

1. For any hearing required under 24 CFR 982.555(a)(1)(i)–(v), the contract administrator will perform the hearing in accordance with the **INFORMAL REVIEWS AND HEARINGS** policies in this Plan, as is the current standard in the program.
2. For any additional hearings required under RAD, HHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving HHA (as owner) or contract administrator. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and HHA (as owner) or contract administrator.

The owner must give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR 982.555(a)(1)(i)–(v).

The owner must provide an opportunity for an informal hearing before an eviction.

23.19 Determining Contract Rent

23.19.1 Initial Contract Rents

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating

subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. For RAD/Section 18 blends, HUD produces a single, blended rent schedule for all units.

HHA may adjust subsidy (and contract rents) across multiple projects as long as HHA does not exceed the aggregate subsidy for all of the projects HHA has submitted for conversion under RAD.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications made to the initial contact rent, the initial rents are set at the lower of:

1. An amount determined by HHA, not to exceed 110 percent of the fair market rent (FMR) or any exception payment standard approved by HUD, or any alternate rent cap established in HHA's MTW agreement, minus any utility allowance.
2. The reasonable rent
3. The rent requested by the owner

23.19.2 Adjusting Contract Rents

RAD PBV contract rents are adjusted differently than contract rents in the standard PBV program. At each annual anniversary of the HAP contract, contract rents will be adjusted only by HUD's operating cost adjustment factor (OCAF) that is applied to the current contract rent, less the portion of the rent paid for debt service, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

1. To correct errors in calculations in accordance with HUD requirements
2. If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance)
3. If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant

The contract rent adjustment will be the lesser of:

1. The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the Federal Register; or
2. The reasonable rent

HHA (or an independent entity, if required) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

The owner shall request a contract rent adjustment from HHA within 120 days, but no less than 60 days, prior to the HAP contract anniversary date. Properties are eligible to receive prior years' OCAF adjustments for years in which the OCAF was not taken. The OCAF must be applied retroactively if it was missed. HHA (or the independent entity, if required) must make sure that all OCAFs have been applied correctly since the RAD closing and calculate the current rents accordingly, including making sure that the RAD PBV contract rents do not exceed the PBV program caps.

In extraordinary circumstances, a project owner may request a waiver of the rental adjustment by OCAF and receive a rental adjustment by an alternative operating cost factor. The waiver request with documentation demonstrating the need for an alternative operating cost factor rental adjustment must be submission to the Office of Recapitalization in accordance with Supplemental Notice 4C.

23.19.3 Reasonable Rent

See PBV policies on **Reasonable Rent**

HHA-Owned Units

See PBV policies on **Reasonable Rent – Rent for HHA Owned Units**.

23.20 Utility Allowances

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, HHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract.

After conversion, HHA may either maintain a utility allowance schedule for tenant-paid utilities in accordance with standard PBV and HCV utility allowance regulations at 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517, respectively, or HHA may instead apply site-specific utility allowances.

HUD waived the requirement for the standard PBV program that the HCV utility allowance be used. If a site-specific utility allowance is used, the utility allowance is applicable to legacy non-RAD PBV units in the project and is calculated consistent with Notice H 2015-04.

23.21 Payments To Owners

23.21.1 Housing Assistance Payments

See PBV policies on **Payments to Owner**.

23.21.2 Vacancy Payments

At the discretion of HHA, the HAP contract may provide for vacancy payments to the owner. Such a stipulation will be included in the HAP contract.

See PBV policies on **Vacancy Payments.**

23.21.3 Tenant Rent to Owner

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by HHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the HHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by HHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by HHA. The owner must immediately return any excess payment to the tenant.

23.21.4 Initial Certifications

For the initial certification, HHA will use the family's public housing tenant rent (reflected on line 10f of the family's most recent 50058) at the date of conversion to calculate HAP and tenant rent for the PBV program. HHA will use this amount until the effective date of the earlier of the family's first regular or interim recertification following the conversion. At that point, HHA will use the family's TTP based on the recertification and the applicable utility allowance (HCV or RAD PBV site-based, as applicable) to determine PBV HAP and tenant rent. Any non-RAD PBV units located in the same project are subject to the same requirements.

23.21.5 Tenant and HHA Responsibilities

See PBV policies on **Tenant and HHA Responsibilities**.

23.21.6 Utility Reimbursements

See PBV policies on **Utility Reimbursements**.

23.21.7 Phase-in of Tenant Rent Increases

For in-place tenants, if the amount the tenant would pay for rent and utilities (TTP) would increase by more than the greater of 10 percent or $25 purely as a result of conversion, the rent increase will be phased in over three years. To implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR 983.3 (definition of *total tenant payment (TTP)*) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

HHA will use the family's public housing tenant rent (reflected on line 10f of the family's most recent 50058) at the date of conversion to calculate the family's tenant rent in PBV. HHA will implement a three-year phase-in for in-place families whose TTP increases by more than the greater of 10 percent or $25 purely as a result of the conversion as follows:

1. Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP or flat rent and the calculated PBV TTP. (If the family was paying flat rent immediately prior to conversion, the PHA will use the flat rent amount to calculate the phase-in for Year 1.)

2. Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP or flat rent and the calculated PBV TTP
3. Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP or flat rent, the phase-in ends, and tenants will pay full TTP from that point forward.

HHA will communicate HHA's phase-in policy in writing to the family at the time HHA first determines that the family qualifies for a rent phase-in. Any legacy non-RAD PBV units located in the same project are also subject to rent phase-in requirements.

23.21.8 Other Fees and Charges

Meals and Supportive Services

See PBV policies on **Meals and Supportive Services**.

Other Charges by Owner

See PBV policies on **Other Charges by Owner**.

23.22 Other RAD Requirements

23.22.1 Davis-Bacon

The Davis-Bacon prevailing wage requirements (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) apply to all initial repairs and new construction that are identified in a project's financing plan to the extent that such repairs or construction qualify as development. "Development," as applied to work subject to Davis-Bacon requirements on Section 8 projects, encompasses work that constitutes remodeling that alters the nature or type of housing units in a PBV project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, and is initiated within 18 months of the HAP contract. Development activity does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind. Davis-Bacon requirements apply only to projects with nine or more assisted units.

23.22.2 Section 3 of the Housing and Urban Development Act of 1968 (Section 3)

Section 3 (24 CFR Part 135) applies to all initial repairs and new constructions that are identified in the project's financing plan to the extent that such repairs qualify as construction or rehabilitation. In addition, Section 3 may apply to the project after conversion based on the receipt of the use of federal financial assistance for rehabilitation activities.

23.22.3 Future Refinancing and Insurance

Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation.

23.22.4 Public Housing FSS and ROSS Participants

Current public housing (PH) FSS participants will continue to participate in HHA's FSS program, and HHAs will be allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding opportunity (NOFO) to serve those FSS participants who live in units converted to RAD and who will as a result be moving to the HCV FSS program. HHA will convert the PH FSS program participants at the covered project to their HCV FSS program.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

At the completion of the FSS grant, HHA will follow the normal closeout procedures outlined in the grant agreement and any applicable 24 CFR part 200 requirements. If HHA continues to run an FSS program that serves PH and/or HCV (including PBV) participants, HHA will continue to be eligible (subject to NOFO requirements) to apply for FSS funding.

Current Resident Opportunities and Self-Sufficiency–Service Coordinators (ROSS–SC) program grantees will be able to finish out their current ROSS–SC grants once their housing is converted under RAD. On December 29, 2022, the Consolidated Appropriations Act, 2023 (Public Law 117-328), extended eligibility by allowing PHAs to continue to serve (or restart service to) residents of a project with assistance converted from public housing to Rental Assistance Demonstration (RAD) Project-based Voucher (PBV) or RAD Project-based Rental Assistance (PBRA).

Any non-RAD PBV units located in the same project are also subject to these requirements.

23.22.5 Resident Participation and Funding

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

CHAPTER 24: SPECIAL PURPOSE VOUCHERS

24.1 OVERVIEW

Special purpose vouchers are those specifically funded by Congress, separate from the regular HCV appropriations in order to target specific populations. For HHA, Special Purpose Vouchers include:

- **Mainstream**
- **Non-Elderly Disabled (NED)**
- **Family Unification Program (FUP)**
- **Foster Youth to Independence (FYI**)
- **Veterans Affairs Supportive Housing (VASH)**
- **Emergency Housing Vouchers (EHV)** – program will sunset no later than the end of CY 2026.

24.2 MAINSTREAM

Mainstream vouchers assist non-elderly individuals with disabilities and their families.

24.2.1 Eligibility

To be eligible for the Mainstream program, it must include a person between the ages of 18 and 61 who has disabilities, as defined in **Disabled Deduction: Definition of a Person with a Disability**. The person with disabilities does not need to be the head of household, but they cannot have reached the age of 62 as of the effective date of the initial HAP contract. The family must also meet all screening requirements as outlined in the chapter on **ELIGIBILITY.**

24.2.2 Briefing

Families receiving a Mainstream voucher will receive the same briefing as described in the section on **Voucher Program Briefing.**

24.2.3 Voucher Term

The term of the voucher will be 120 days. See **Special Purpose Voucher Program Issuance and Extension Requirements** for information on the voucher term for Mainstream families.

24.2.4 Portability

Families with Mainstream vouchers are eligible to port to other housing authorities. If the family ports and the receiving housing authority has a Mainstream voucher, the family may remain a Mainstream participant regardless of whether the voucher is administered or absorbed. If the family ports and the receiving housing authority does not have a Mainstream voucher available, the family may receive a regular voucher.

24.3 NON-ELDERLY DISABLED (NED)

Non-Elderly Disabled (NED) vouchers are to assist non-elderly disabled families in leasing affordable private housing of their choice. To the extent possible, NED vouchers will be

affirmatively marketed to a diverse population of NED-eligible families to attract protected classes least likely to apply.

24.3.1 Eligibility

To be eligible for a NED voucher the head, co-head or spouse must be a person between the ages of 18 and 61 who has disabilities, as defined in **Disabled Deduction: Definition of a Person with a Disability**. The person with disabilities must be the head of household, co-head or spouse, and they cannot have reached the age of 62 as of the effective date of the initial HAP contract. The family must also meet all screening requirements as outlined in the chapter on **ELIGIBILITY**.

Because HHA has Category 2 NED vouchers, the head, co-head or spouse must be transitioning from residing in a nursing home or other healthcare institution and provided services needed to live independently in the community. Nursing homes or other healthcare institutions may include intermediate care facilities and/or specialized institutions for persons with specific types of disabilities; however, board and care facilities such as adult homes/congregate living or adult day care are not included in this definition.

For each applicant, HHA will obtain and retain in the family's file documentation identifying the institution where the family lived at the time of voucher issuance.

24.3.2 Briefing

Families receiving a NED voucher will receive the same briefing as described in **Voucher Program Briefing**.

24.3.3 NED Voucher Term

The voucher term for NED families is the same as for families in the regular HCV program. See the section on **Voucher Term**.

24.3.4 Portability

Families with a NED voucher may port to other housing authorities.

24.3.5 Turnover

When a NED voucher turns over, it will be offered to the next NED family on the waiting list. If at any time HHA believes that it is not practicable to assist a NED family with a turnover NED voucher, HHA will contact HUD.

24.4 FAMILY UNIFICATION PROGRAM (FUP)

The Family Unification Program (FUP) was authorized by Congress in 1990 to help preserve and reunify families. Vouchers are provided to two different populations—FUP families and FUP youth. Eligibility criteria and other program criteria may differ according to whether the household is a FUP family or FUP Youth, as described in the sections below.

24.4.1 Public Child Welfare Agency (PCWA)

Families and youth do not apply directly to HHA for FUP vouchers. They are instead referred by a PCWA with whom HHA has entered into a Memorandum of Understanding (MOU). The

partnering PCWA initially determines whether the family or youth meets the FUP program eligibility requirements and then refers those families or youths to HHA.

HHA has entered into a MOU with the Hay Center to identify and assist eligible families. The MOU describes the coordination responsibilities between HHA and the Hay Center to implement FUP.

Supportive Services

They Hay Center must provide supportive services for the period of time defined in the notice or NOFA/O for which the funding was made available to all FUP-eligible youth regardless of their age.

The Hay Center will provide supportive services for all FUP youth for a period of 36 months.

A FUP-eligible youth is not required to participate in supportive services as condition of receipt of the FUP voucher.

24.4.2 FUP Family Voucher Eligibility Criteria

FUP family assistance is reserved for eligible families that the PCWA has certified are a family for whom a lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.

Lack of adequate housing means the family meets any one of the following conditions:

- Living in substandard housing, which refers to a unit that meets any one of the following conditions:
    - Does not have operable indoor plumbing
    - Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth
    - Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth
    - Does not have electricity, or has inadequate or unsafe electrical service
    - Does not have a safe or adequate source of heat
    - Should, but does not, have a kitchen
    - Has been declared unfit for habitation by an agency or unit of government, or in its present condition otherwise endangers the health, safety, or well-being of the family or youth
    - Has one or more critical defects, or a combination of intermediate defects in sufficient number or to the extent that it requires considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair, or from serious damage to the structure
- Being homeless as defined in 24 CFR 578.3
- Living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of

the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care

- Living in housing not accessible to the family's disabled child or children due to the nature of the disability
- Living in an overcrowded unit, which is defined as living in a unit where one of the following conditions has been met:
    - The family is separated from its child or children and the parents are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
    - The family is living with its child or children in a unit that is overcrowded for the entire family and this overcrowded condition may result, in addition to other factors, in the imminent placement of its child or children in out-of-home care.
    - For purposes of this definition, the determination as to whether the unit is overcrowded is made in accordance with the HHA's **SUBSIDY STANDARDS**.

Since HUD does not define *imminent placement*, the partnering PCWA may use its discretion to determine whether the potential out of home placement of the family's child or children is imminent.

24.4.3 FUP Youth Voucher Eligibility Criteria

While FUP family vouchers operate as regular HCVs after the family is referred from the PCWA, there are several aspects of the FUP youth vouchers that make them distinct from the FUP family vouchers and from regular HCVs.

A FUP-eligible youth is a youth the PCWA has certified:

- Is at least 18 years old and not more than 24 years of age (has not yet reached their 25th birthday);
    - The FUP youth must be no more than 24 years old at the time the PCWA certifies them as eligible and at the time of HAP contract execution.
- Has left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
    - Foster care placement can include, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.
- Is homeless or at risk of becoming homeless at age 16 or older;
    - *At risk of being homeless* is fully defined at 24 CFR 576.2.
        - This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution).
        - Therefore, youth being discharged from an institution may be eligible for a FUP voucher [FUP FAQs].
- Has an annual income at or below 30 percent of area median income; and

- Does not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to a supervised publicly or privately operated shelter designed to provide temporary living arrangements.

Note: An eligible youth who is leaving foster care may lease a unit with a FUP voucher prior to officially leaving foster care, as long as all requirements of the FUP program and HCV program, including the prohibition on duplicate subsidy, are met. While a youth may be referred for a FUP voucher before reaching the age of 18, HHA will not enter into a HAP contract on behalf of a youth until they have reached the age of 18.

24.4.4 Assistance Period

Maximum Assistance Period

Although there is no time limit on FUP family vouchers, FUP youth vouchers are limited by statute. Unless the FUP youth meets an exception outlined below, after 36 months of assistance, the FUP youth voucher must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the 36-month limitation.

If the FUP youth does meet the requirements outlined below, the statutory limit on FUP assistance is a total of 60 months of FUP voucher assistance.

Extension of Assistance

FUP youth who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FUP youth cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FUP youth must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below). FUP youth participants who have previously rejected offers to participate in FSS will be given a final opportunity to participate in FSS prior to the expiration of their 36-month term. If the participant does not accept HHA's final offer to participate in FSS then they will not be approved for an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

A FUP youth will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in the HHA's FSS program if they certify that they meet one of the exceptions below:

- The FUP youth is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.
- The FUP youth is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities due to a documented medical condition.

- The youth was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.
    - Youth must be enrolled in education activities on at least a half-time basis, as defined by the institution that they attend. However, HHA may make exceptions to this requirement if the youth is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where the youth is enrolled.
    - The youth was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
- The youth was employed.
    - HHA will consider the youth to be employed if they work a minimum of 20 hours per week. HHA may make exceptions to this requirement if the youth's hours are reduced due to circumstances beyond their control or the youth must temporarily reduce their work hours due to a verified family emergency.

Termination of Assistance for Failure to Meet Conditions

Failure of the FUP youth to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FUP assistance prior to the regular reexam.

If the FUP youth does not meet any of the conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FUP youth voucher must be terminated once the youth reaches this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the youth entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the youth, not the number of months that the youth is in the FUP youth program. Prior to termination, HHA will offer the FUP youth the opportunity to request an informal hearing, in accordance with its policies.

24.4.5 Referrals And Waiting List Management

As part of the MOU, HHA and the PCWA have identified staff positions to serve as lead FUP liaisons. These positions will be responsible for transmission and acceptance of FUP referrals. The PCWA must commit sufficient staff and resources to ensure eligible families and youths are identified and determined eligible in a timely manner.

When FUP vouchers are available, the HHA liaison responsible for acceptance of referrals will contact the PCWA FUP liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. No more than 10 business days from the date the PCWA receives this notification, the PCWA liaison will provide HHA with a list of eligible referrals include the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating the youth or family is FUP-eligible.

HHA will maintain a copy of the referral or certification from the PCWA in the participant's file along with other eligibility paperwork.

HHA must serve any referrals (youths or families) that meet all program eligibility requirements. If HHA determines that it has received a sufficient number of referrals from the PCWA so that HHA will be able to lease all FUP vouchers awarded, HHA may request that the PCWA suspend transmission of referrals. If HHA determines that additional referrals will be needed after it has made such a request, HHA may request that the PCWA resume transmission of referrals [Notice PIH 2011-52].

Waiting List Placement

A family that is already participating in the regular HCV program cannot be transferred to a FUP voucher.

Once a referral is made, HHA shall compare the list of PCWA referrals to its waiting list to determine if any applicants on the PCWA's referral list are already on HHA's waiting list. Applicants already on the HHA's waiting list retain the order of their position on the list. Applicants not already on the HHA's waiting list shall be placed on the HCV waiting list.

HHA may place applicants on its HCV waiting list or may choose to establish a separate waiting list for FUP/FYI applicants.

- If HHA uses the HCV waiting list for FUP/FYI applicants:
    - If HHA's HCV waiting list is closed, HHA shall open its HCV waiting list in order to accept new FUP applicants. If necessary, HHA may open its waiting list solely for FUP applicants, and this information shall be included in HHA's notice of opening its waiting list.
- If HHA opts to establish a separate waiting list for FUP/FYI applicants (pursuant to **PIH Notice 2025-08**):
    - HHA may establish separate preferences for these applicants (other than a residency preference) as long as the system of local preferences and processes for accepting referrals from partners does not violate nondiscrimination requirements under any applicable federal civil rights law.
    - In addition to placing eligible FUP/FYI applicants on the FUP/FYI waiting list, HHA shall also place these applicants on the HCV waiting list, if they are not already.
    - HHA shall also inform all applicants on the HCV waiting list about the new list and provide an opportunity to be placed on it, provided they meet eligibility criteria.
    - Applicants issued a FYI voucher may remain on the general HCV waiting list.

Waiting List Selection

HHA selects FUP-eligible families or youths based on HHA's regular HCV waiting list selection policies, including any preferences that may apply. However, HHA shall not apply a residency preference to FUP vouchers.

24.4.6 HCV Eligibility Determination

Once a FUP-eligible family or youth is selected from the HCV waiting list, HHA must determine whether the family or youth meets HCV program eligibility requirements. Applicants must be eligible under both FUP family or youth eligibility requirements, as applicable, and HCV eligibility requirements.

The PCWA may, but is not obligated to, provide information to HHA on the family's criminal history.

Additional FUP Eligibility Factors

For FUP family vouchers, the family must remain FUP-eligible thorough lease-up.

- If, after a family is referred by the PCWA but prior to issuing a family FUP voucher, HHA discovers that the lack of adequate housing is no longer a primary factor for the family not reunifying, the FUP voucher may not be issued to the family.
- Similarly, if the FUP voucher has already been issued before HHA discovers that the reunification will not happen, but the family has not yet leased up under the voucher, HHA must not execute the HAP contract, as the family is no longer FUP-eligible.

FUP-eligible youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a FUP youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FUP youth voucher.

Any applicant that does not meet the eligibility criteria for the HCV program or any eligibility criteria listed in this section will be notified by HHA in writing, including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

24.4.7 Voucher Issuance

Eligible applicants will be notified by HHA in writing. FUP families will attend a standard HCV briefing. FUP youth will be briefed individually. In addition to traditional HCV program requirements HHA will inform the FUP youth of:

- The extension of assistance provisions and requirements;
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list; and
- Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FUP youth assistance.

For both FUP youth and FUP families, the term of the initial voucher will be 120 days (note: the initial 120-day search term also applies when a FUP family or youth chooses to move to a new unit with continued assistance inside or outside HHA's jurisdiction).

When issuing a FUP voucher to a family which includes an individual with disabilities, HHA shall include a current listing of available accessible units known HHA, and if necessary, otherwise assist the family in locating an available accessible dwelling unit.

Extensions

HHA will accept verbal or written requests for voucher extensions as long as the request is made on or before the expiration date of the voucher. HHA will provide at minimum one 90-day extension and will not restrict approval of the initial extension to certain circumstances or require documentation from applicants. All subsequent requests for extension shall be processed in accordance with HHA's voucher extension policies. This policy shall apply to both initial applicants as well as participants moving with continued assistance.

For applicants, on at least one occasion after voucher issuance, HHA shall notify the applicant to remind them of the expiration date of the voucher and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

24.4.8 Lease Up

Once the family or youth locate a unit, HHA conducts all other processes relating to voucher administration per HCV program regulations and HHA's policies (including, but not limited to: NSPIRE inspections, determination of rent reasonableness, etc.).

24.4.9 Termination Of Assistance

With the exception of terminations of assistance for FUP youth after the statutorily required time period, terminations of FUP assistance are handled in the same way as the regular HCV program. Termination of a FUP voucher must be consistent with regulations for termination in 24 CFR Part 982, Subpart L and be in compliance with PHA policies (Chapter 12).

If the person who qualifies for the FUP voucher passes away, the family retains the FUP voucher. In the case of a FUP-youth voucher, assistance will terminate after the statutorily required time period, even if the FUP-eligible youth is no longer included in the household.

If the person who qualifies for the FUP voucher moves, the remaining family members may keep the FUP voucher based on PHA policy (see administrative plan, Section 3-I.C., Family Breakup and Remaining Member of Tenant Family).

FUP Family Vouchers

If parents lose their parental rights or are separated from their children after voucher lease-up (or their children reach adulthood), the family is still eligible to keep their FUP assistance, as the regulations do not permit HCV termination for a family losing parental rights or the children reaching adulthood. However, HHA may transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household.

If HHA has no regular HCV vouchers available at the time this determination is made, including if no vouchers are available due to lack of funding, HHA will issue the family the next available regular HCV voucher after those being issued to families residing in PBV units claiming Choice Mobility.

FUP Youth Vouchers

HHA will not terminate a FUP youth's assistance for noncompliance with PCWA case management, nor will HHA terminate assistance for a FUP youth for not accepting services from the PCWA.

HHA may not transfer the assistance of a FUP youth voucher holder to regular HCV assistance upon the expiration of the statutorily required time period. However, HHA may issue a regular

HCV to FUP youth if they were selected from the waiting list in accordance with HHA policies. HHA has adopted a preference on its HCV waiting list for FUP youth voucher holders who are being terminated for this reason.

24.4.10 FUP Portability

Portability for a FUP family or youth is handled in the same way as for a regular HCV family.

A FUP family or youth does not have to port to a jurisdiction that administers FUP.

If the receiving PHA administers the FUP voucher on behalf of the initial PHA, the voucher is still considered a FUP voucher regardless of whether the receiving PHA has a FUP program.

If the receiving PHA absorbs the voucher, the receiving PHA may absorb the incoming port into its FUP program (if it has one) or into its regular HCV program (if the receiving PHA has vouchers available to do so) and the family or youth become regular HCV participants. In either case, when the receiving PHA absorbs the voucher, a FUP voucher becomes available to the initial PHA.

If the voucher is a FUP youth voucher and remains such upon lease-up in the receiving PHA's jurisdiction, termination of assistance must still take place once the youth has received assistance for the statutorily required time period. If the receiving PHA is administering the FUP youth voucher on behalf of the initial PHA, the two PHAs must work together to initiate termination upon expiration of the statutorily required time period.

24.4.11 Project-Basing FUP Vouchers

HHA, at its discretion, may project-base FUP vouchers without HUD approval in accordance with Notice PIH 2017-21, FR Notice 1/24/22, and all statutory and regulatory requirements f

24.5 FOSTER YOUTH TO INDEPENDENCE (FYI)

The Foster Youth to Independence (FYI) initiative was announced in 2019. The FYI initiative allows PHAs who partner with a Public Child Welfare Agency (PCWA) to request targeted HCVs to serve eligible youth with a history of child welfare involvement that are homeless or at risk of being homeless. Rental assistance and supportive services are provided to qualified youth for a period of between 36 and 60 months.

Funding is available either competitively though an FYI NOFA or noncompetitively on a rolling basis in accordance with the application requirements outlined in Notice PIH 2020-28, Notice PIH 2021-26, or Notice PIH 2023-04, as applicable.

24.5.1 Partnering Agencies

HHA will implement the FYI program in partnership with the Hay Center. Partners are responsible for:

- Identifying FYI-eligible youth;
- Developing a system of prioritization based on the level of need of the youth and the appropriateness of intervention;
- Providing a written certification to HHA that the youth is eligible; and
- Providing or securing supportive services for 36 months.

24.5.2 Youth Eligibility Criteria

The PWCA is responsible for certifying that the youth has prior qualifying foster care involvement. As determined by the PWCA, eligible youth:

- Are at least 18 years of age and not more than 24 years of age (have not yet reached their 25th birthday);
    - Youth must be no more than 24 years of age at the time the PCWA certifies them as eligible and at the time of HAP contract execution.
- Have left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
    - Placements can include, but are not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes in accordance with 24 CFR 5.576;
- Are homeless or at risk of becoming homeless at age 16 and older;
  At risk of being homeless is fully defined at 24 CFR 576.2.
    - This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution). Therefore, youth being discharged from an institution may be eligible for an FYI voucher.

Eligibility is not limited to single persons. For example, pregnant and/or parenting youth are eligible to receive assistance assuming they otherwise meet eligibility requirements.

Note: An eligible youth who is leaving foster care may lease a unit with a FYI voucher prior to officially leaving foster care, as long as all requirements of the FYI program and HCV program, including the prohibition on duplicate subsidy, are met. While a youth may be referred for a FYI voucher before reaching the age of 18, HHA will not enter into a HAP contract on behalf of a youth until they have reached the age of 18.

24.5.3 Supportive Services

Supportive services may be provided by HHA or a third party. At a minimum, the following supportive services must be offered:

- Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services);
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits;
- Providing such assurances to owners of rental property as are reasonable and necessary to assist eligible youth to rent a unit with a voucher;
- Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc.); and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED) or attendance/financing of education at a technical school, trade school, or college, including successful work ethic and attitude models. \

Since participation in supportive services is optional, but strongly encouraged, an FYI participant may decline supportive services.

24.5.4 Referrals and Waiting List Management

Referrals

The PCWA is responsible for certifying that the youth has prior qualifying foster care involvement. Once the CoC sends HHA the referral, HHA determines HCV eligibility.

The PCWA must have a system for identifying eligible youth within the agency's caseload and reviewing referrals from other partners, as applicable. The PCWA must also have a system for prioritization of referrals to ensure that youth are prioritized for an FYI voucher based upon their level of need and appropriateness of the intervention.

Referrals may come from other organizations in the community who work with the population, but the PCWA must certify that the youth meets eligibility requirements, unless the PCWA has vested another organization with this authority.

HHA is not required to maintain full documentation that demonstrates the youth's eligibility as determined by the PCWA but should keep the referral or certification from the PCWA. The PCWA is not required to provide HHA with HCV eligibility documents.

Waiting List Placement

Youth already on the HCV program may not be transferred to an FYI voucher since they are not homeless or at-risk of homelessness.

Once a referral is made, HHA must compare the list of PCWA referrals to its waiting list to determine if any applicants on the PCWA's referral list are already on HHA's waiting list. Applicants already on HHA's waiting list retain the order of their position on the list. Applicants not already on HHA's waiting list must be placed on the HCV waiting list.

HHA may place applicants on its HCV waiting list or may choose to establish a separate waiting list for FUP/FYI applicants.

- If HHA uses the HCV waiting list for FUP/FYI applicants:
    - If HHA's HCV waiting list is closed, HHA must open its HCV waiting list in order to accept new referrals. HHA may reopen the waiting list to accept an FYI eligible youth without opening the waiting list for other applicants; however, the requirements at 24 CFR 982.206 for giving public notice when opening and closing the waiting list apply.
    - Referrals who are already on the list will retain their position and the list will be notated to indicate the applicant is FYI-eligible.
    - For those referrals not already on the waiting list, HHA will work with the PCWA to ensure they receive and successfully complete a pre-application or application, as applicable. Once the pre-application or application has been completed, HHA will place the referral on the HCV waiting list with the date and time of the original referral and an indication that the referral is FYI-eligible.

- If HHA opts to establish a separate waiting list for FUP/FYI applicants (pursuant to **PIH Notice 2025-08**):
    - HHA may establish separate preferences for these applicants (other than a residency preference) as long as the system of local preferences and processes for accepting referrals from partners does not violate nondiscrimination requirements under any applicable federal civil rights law.
    - In addition to placing eligible FUP/FYI applicants on the FUP/FYI waiting list, HHA shall also place these applicants on the HCV waiting list, if they are not already.
    - HHA shall also inform all applicants on the HCV waiting list about the new list and provide an opportunity to be placed on it, provided they meet eligibility criteria.
    - Applicants issued a FYI voucher may remain on the general HCV waiting list.

Waiting List Selection

HHA selects eligible youths based on HHA's regular HCV waiting list selection policies, including any preferences that may apply. However, HHA shall not apply a residency preference to FYI vouchers.

24.5.5 PHA HCV Eligibility Determination

Once an eligible youth is selected from the HCV waiting list, HHA must determine whether the youth meets HCV program eligibility requirements. Applicants must be eligible under both FYI eligibility requirements and HCV eligibility requirements as outlined in Chapter 3 of this policy.

The PCWA may, but is not obligated to, provide information to HHA on the youth's criminal history.

Additional Eligibility Factors

Youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FYI voucher.

24.5.6 Voucher Issuance

[FR Notice 1/24/22, Notice PIH 2025-08]

Eligible applicants will be notified by HHA in writing. FYI participants will attend a standard HCV briefing. In addition to traditional HCV program requirements HHA will inform the FUP youth of:

- The extension of assistance provisions and requirements;
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list; and
- Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FYI assistance.

For FYI participants, the term of the initial voucher will be 120 days (note: the initial 120-day search term also applies when a youth chooses to move to a new unit with continued assistance inside or outside HHA's jurisdiction).

When issuing a FYI voucher to a family which includes an individual with disabilities, HHA shall include a current listing of available accessible units known HHA, and if necessary, otherwise assist the family in locating an available accessible dwelling unit.

Extensions

HHA will accept verbal or written requests for voucher extensions as long as the request is made on or before the expiration date of the voucher. HHA will provide at minimum one 90-day extension and will not restrict approval of the initial extension to certain circumstances or require documentation from applicants. All subsequent requests for extension shall be processed in accordance with HHA's voucher extension policies. This policy shall apply to both initial applicants as well as participants moving with continued assistance.

For applicants, on at least one occasion after voucher issuance, HHA shall notify the applicant to remind them of the expiration date of the voucher and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

Should a youth fail to use the voucher, HHA may issue the voucher to another eligible youth if one has been identified.

24.5.7 Lease Up

Once the participant locates a unit, HHA conducts all other processes relating to voucher administration per HCV program regulations and HHA's policies (including, but not limited to: NSPIRE inspections, determination of rent reasonableness, etc.).

24.5.8 Maximum Assistance Period

[Notice PIH 2023-04 and FYI FAQs; FR Notice 1/24/22]

Vouchers are limited by statute to a total of between 36 months and 60 months of housing assistance. At the end of the statutory time period, assistance must be terminated. However, any period of time for which no HAP subsidy is being paid on behalf of the youth does not count toward the limitation.

Participants do not "age out" of the program. A participant may continue with the program until they have received the period of assistance for which they are eligible. Age limits are only applied for entry into the program.

Extension of Assistance

FYI voucher holders may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FYI voucher holders cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FYI voucher holders must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below). FYI participants who previously rejected offers to participate in FSS will be given a final opportunity to participate in FSS prior to the expiration of their 36-month term. If the participant does not accept

HHA's final offer to participate in FSS then they will not be approved for an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

FYI voucher holders will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in HHA's FSS program if they certify that they meet one of the exceptions below:

- The FYI voucher holder is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.
- The FYI voucher holder is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

An FYI voucher holder that meets one of the above exceptions must still be offered an opportunity to enroll in HHA's FSS program (if it is available to them) and receive any supportive services available to FYI voucher holders. An FYI voucher holder may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

If a PHA that carries out an FSS program is unable to offer a FYI voucher holder an FSS slot during their first 36 months of receiving FYI assistance, the FYI voucher holder is considered to have been "unable to enroll" in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The FYI voucher holder was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.
- The FYI voucher holder was enrolled in an institution of higher education, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a proprietary institution of higher education or a postsecondary vocational institution under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.
- The FYI voucher holder was employed. HHA will consider the FYI voucher holder to be employed if they work a minimum of 20 hours per week. HHA may make exceptions to this requirement if the FYI voucher holder's hours are reduced due to circumstances beyond their control or the FYI voucher holder must temporarily reduce their work hours due to a verified family emergency.

FSS Enrollment at 24 Months

If the FYI voucher holder has not been provided an opportunity to enroll in the FSS program during the first 24 months of FYI assistance, HUD encourages HHA to remind the FYI voucher holder at the 24-month reexamination of the education, workforce development, and employment requirements described above so that they have enough time to meet these requirements prior to the expiration of the 36-month time period for FYI assistance.

FSS Enrollment Between 36 and 48 Months

If an FSS slot becomes available between the 36-month and 48-month mark:

- HHA will offer the slot to an FYI voucher holder who had their voucher extended based on meeting the education, workforce development, or employment requirement listed above, or one of the statutory exceptions listed above (even if the FYI voucher holder previously declined an FSS slot because they met one of the statutory exceptions).
- HHA will work with the FYI voucher holder to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the FYI voucher holder is engaged in and any statutory exceptions that apply to the FYI voucher holder, as well as the remaining time on their voucher.
- If the FYI voucher holder accepts the FSS slot, HHA will work with them to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.

If the FYI voucher holder is offered an FSS slot prior to the 36-month mark, the FYI voucher holder:

- Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).
- Will not be considered to have been "unable to enroll" in the FSS program, and as a result, will not be eligible to receive an extension of assistance based on meeting the education, workforce development, or employment requirements described above.

FSS Enrollment After 48 Months

HHA may, but is not required, to offer an FYI voucher holder an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the FYI voucher holder will have already received their second and final extension.

Extensions of Assistance

At the 36-month and 48-month reexamination, HHA must extend FYI assistance if the FYI voucher holder is participating in and in compliance with the FSS program as long as the FYI voucher holder is still eligible for the HCV program.

In any case, the FYI voucher holder cannot receive more than a total of 60 months of FYI assistance even if the FSS Contract of Participation time period extends beyond the voucher 60-month mark.

Unable to Enroll in FSS

If the FYI voucher holder has been unable to enroll in the program during the first 36 months of receiving FYI assistance, the FYI voucher holder is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the FYI voucher holder engaged in at least one of the education, workforce development, or employment activities described above for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months requirement, the FYI voucher holder may have engaged in one of the education, workforce development, or employment activities described above or a combination of these activities.

Verification Prior to Regular Reexamination

In order to provide an extension of assistance, HHA will verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. HHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

An FYI voucher holder who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FYI voucher holder may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If HHA determines that the FYI voucher holder meets one of the statutory conditions, HHA would then conduct a regular reexamination. If the regular reexamination determines that the FYI voucher holder is still eligible for the HCV program, HHA will provide the FYI voucher holder the extension of voucher assistance.

Termination of Assistance for Failure to Meet Conditions

Failure of the FYI voucher holder to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FYI assistance prior to the annual reexam.

If the FYI voucher holder does not meet any of the statutory conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FYI voucher must be terminated once they reach this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the FYI voucher holder entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the FYI voucher holder, not the number of months that they are in the FYI program. Prior to termination, HHA must offer the FYI voucher holder the opportunity to request an informal hearing, in accordance with Chapter 16.

24.5.9 Termination of Assistance

Termination of a FYI voucher is handled in the same way as with any HCV. HHA will not terminate a FYI youth's assistance for noncompliance with case management, nor may HHA terminate assistance for a FYI youth for not accepting services.

Given the statutory time limit that requires FYI vouchers to sunset, HHA must terminate the youth's assistance once the limit on assistance has expired. HHA may not transfer the assistance of FYI voucher holders to regular HCV assistance upon the expiration of the limit on assistance. However, HHA may issue a regular HCV to FYI voucher holders if they were selected from the waiting list in accordance with PHA policies. HHA may also adopt a waiting list preference for FYI voucher holders who are being terminated for this reason.

24.5.10 Portability

Portability for an FYI youth is handled in the same way as for a regular HCV family.

An FYI youth does not have to port to a jurisdiction that administers FYI vouchers. If the receiving PHA absorbs the voucher, the PHA may absorb the youth into its regular HCV program if it has vouchers available to do so. If the receiving PHA absorbs the youth into its regular HCV program, that youth becomes a regular HCV participant with none of the limitations of an FYI voucher.

The initial and receiving PHA must work together to initiate termination of assistance upon expiration of the time limit on assistance.

24.5.11 Project-Basing FYI Vouchers

HHA, at its discretion, may project-base FYI vouchers without HUD approval in accordance with FR Notice 1/24/22 and all statutory and regulatory requirements for the PBV program.

24.6 VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)

The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a Designated Service Provider (DSP) as approved by the VA Secretary. Homeless veterans and their families are eligible if they agree to participate in VA case management and are referred to the HHA by the VAMC for assistance.

Generally, the VASH program is administered in accordance with regular HCV requirements; however, exceptions are noted in this section.

24.6.1 Referrals

VAMC case managers screen all families in accordance with VA screening criteria and refer eligible families to HHA for determination of program eligibility. HHA will accept referrals from the VAMC and maintain written documentation of referrals in the VASH family's participant file. Upon receipt of a referral from the VAMC, HHA will conduct eligibility screening for the family.

24.6.2 Eligibility Screening

HHA will only screen VAMC referrals for the following:

1. **Income Eligibility for the VASH Program**, as noted in the chapter on Eligibility;
2. Whether a family member is subject to a lifetime registration requirement under a state sex offender registration program.

24.6.3 Screening Elements

Social Security Numbers

HHA will accept any applicable documents listed under **Social Security Number Verification** for verifying the Social Security number (SSN) of a VASH family member. HHA will also accept any of the following as verification of a homeless veteran's SSN as noted in the section on **Verifying SSNs for the VASH Program**:

- Certificate of Release or Discharge from Active Duty (DD-214),
- VA-verified Application for Health Benefits (10-10EZ), or
- VA-issued identification card.

If HHA has attempted to obtain third-party verification of a VASH family member's SSN prior to admission, HHA will accept the applicant's self-certification and a third-party document with their name printed on it (such as a bank statement, benefit letter, utility bill or cell phone bill) to satisfy the SSN disclosure requirement. However, this is only allowable when HHA has exhausted all other attempts to obtain the required documentation and has documented why other SSN documentation was unavailable.

- If the VASH family member's SSN is verified in EIV, then no further verification is required.
- If the VASH family member's SSN fails the SSA identity match, then HHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual.
    - The VASH family member's assistance must be terminated if they fail to provide the required documentation.

Proof of Age

HHA will accept any applicable documents listed under **Documentation of Age** in the verification chapter for verifying each family member's age. HHA will also accept a DD-214 or 10-10EZ as acceptable verification of proof of age.

Photo Identification

HHA will accept a VA-issued identification card (which may also serve as verification of SSN and date of birth) in lieu of a document listed under **Verification of Legal Identity** in the Verification chapter.

24.6.4 Voucher Term

The term of the voucher will be 120 days. Extensions will be subject to the policies noted in **Extensions of Voucher Term**.

24.6.5 Income Determination

Generally, income for VASH families is determined the same way as for other HCV households, with the following exceptions:

1. For the purposes of determining income eligibility, HHA will exclude VA service-connected disability benefits. However, these benefits will be included when calculating the family's income for purposes of determining family share and HAP.
2. If a VASH family reports zero income, HHA must accept a self-certification of zero income from the family at admission or recertification without taking any additional steps to require that the family verify zero reported income. The self-certification does not need to be notarized. HHA must verify families' income in the EIV system within 120 days after admission.

In determining compliance with **Asset Restrictions** in the Eligibility chapter, HHA must accept a self-certification by the family that the family's total assets are equal to or less than $50,000, adjusted annually for inflation, and that the family does not have any present ownership interest in real property, without taking additional steps to verify the accuracy of the declaration. However, HHA will fully verify the family's assets every three years. For net family assets exceeding

$50,000, adjusted annually for inflation, HHA will fully verify the family's assets as required for all HCV families. HHA will not enforce the asset limitation for VASH families at reexamination.

Because there needs to be a monthly housing assistance payment (HAP) in order to enter into a HAP contract on behalf of a tenant-based voucher family, a VASH family may only use their voucher in an area where the family's total tenant payment (TTP) is less than the applicable payment standard or exception payment standard (see **Exception Payment Standards** below). Additionally, the unit selected by the family must have a gross rent above the family's TTP.

24.6.6 Changes in Household Composition

Persons added to a VASH family after admission will be screened in accordance with regular HCV requirements and must be approved in accordance with applicable provisions under **Changes in Family and Household Composition** in the chapter on Reexaminations and Continued Occupancy.

If the veteran dies while the family is being assisted, the voucher will remain with the remaining family members. HHA may opt to use a regular voucher, if available, to free up the VASH voucher for another VASH-eligible family. At turnover, the voucher must go to another VASH-eligible family.

In the case of family breakup, the voucher will remain with the veteran, except in the case when a veteran's family member is receiving **Violence Against Women Act Protections**. If the veteran is the perpetrator:

- The veteran's VASH assistance is terminated;
- If a regular voucher is available, it will be given to the family member seeking protection under VAWA;
- If no regular voucher is available, the family member seeking protection under VAWA will continue to use the VASH voucher.

Upon turnover, the VASH voucher will be issued to another VASH-eligible family.

24.6.7 Exception Payment Standards

See **Exception Payment Standards** in the Payment Standards and Utility Allowances chapter for information about the applicable payment standards for VASH.

24.6.8 Housing Types

VASH families may use their voucher at any of the **Eligible Units** listed in the General Leasing Policies and HAP chapter, as well as any of the units listed in the **Special Housing Types** section of that chapter. VASH families are also permitted to live on the grounds of a VA facility in units developed to house homeless veterans; this applies both to tenant-based assistance and project-based assistance (see **Project-Basing VASH Vouchers**).

24.6.9 Initial Lease Term

VASH families may enter into an initial lease that is for less than 12 months.

24.6.10 Portability

Prior to porting to another housing authority's jurisdiction, a VASH family must obtain written confirmation from the VA facility that case management will continue to be provided in the family's

new location. VASH families may only move to jurisdictions that are accessible to case management services, as determined by the case managers at the partnering VAMC or DSP. If such requirements are met, the VASH family may move at admission or during current participation in the program.

If the family moves within the initial VAMC or DSP's catchment area and:

- The receiving housing authority VASH vouchers, the receiving housing authority may administer or absorb the voucher if it has a VASH voucher to do so. If the voucher is absorbed, the VAMC or DSP providing the initial case management must agree to the absorption and transfer the case management.
- The receiving housing authority does not have VASH vouchers, it must always bill the initial housing authority.

If the family moves outside of the initial VAMC or DSP's catchment area, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMC or DSP participating in the VASH program, and the receiving housing authority has a VASH voucher. In these cases, the receiving housing authority must absorb the VASH voucher. Upon absorption, the initial housing authority's voucher will be available to a new VASH-eligible family, and the absorbed family will count towards the receiving housing authority's number of VASH slots.

If the family moves outside of the initial VAMC or DSP's catchment area under VAWA, they may do so prior to receiving approval from the receiving VAMC or DSP, but they must port to a housing authority that has a VASH program. The initial housing authority must follow its emergency transfer plan. If the receiving housing authority does not have a VASH voucher available, they may bill the initial housing authority until a VASH voucher is available, at which point they must absorb the family into the receiving housing authority's program. The housing authorities may require a verbal self-certification or a written request from a participant in this case that includes:

- A statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit; or
- A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the participant's request for the move.

If the family no longer requires case management, there are no portability restrictions, and regular **PORTABILITY** rules apply.

24.6.11 VASH Termination of Assistance

HHA may not terminate a VASH family's assistance due to known circumstances/activities that occurred prior to admission. A VASH family may only be terminated for program violations that occur after admission.

A VASH family's assistance must be terminated for failure to participate in case management services from the VAMC or DSP, but HHA may opt to provide continued assistance to the family through the regular HCV program. If a VASH family no longer needs case management services, HHA will not terminate the family's assistance but may offer the family continued assistance through its regular HCV program in order to use the VASH voucher for another VASH-eligible family.

For serious violations of the lease, HHA may terminate program assistance to the family but will exercise discretion and consider all relevant circumstances of the specific case (including the potential mitigating effects of ongoing case management) prior to determining whether to terminate assistance.

24.7 EMERGENCY HOUSING VOUCHERS (EHV)

Note: per PIH Notice 2025-19, the EHV program will fully sunset no later than the end of CY 2026. No further funding will be provided by HUD for this program. See PIH Notice 2025-19 and below for more information.

Emergency Housing Vouchers (EHVs) are tenant-based vouchers that were funded through the American Rescue Plan (ARP) Act of 2021 to assist the individuals and families who meet one or more of the following qualifying criteria:

1. Experiencing homelessness;
2. At-risk of homelessness;
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
4. Were recently homeless.

Per Notice PIH 2021-15, as of September 30, 2023, EHVs will not be reissued upon turnover of EHVs when families leave the program.

Per Notice PIH 2025-07, HHA will no longer absorb any EHV family that ports into HHA, but will instead administer the voucher.

24.7.1 Termination of EHV Assistance Due to Lack of Continued Program Funding

Per PIH Notice 2025-19, the EHV program will fully sunset no later than the end of CY 2026, and no further funding will be provided by HUD for this program.

To mitigate the impact of the potential loss of assistance, HHA will make every effort to transition EHV families to its HCV or Mainstream voucher programs, to the extent that vouchers are available. To do so, HHA will establish a preference on the HCV waiting list for EHV families who are at risk of termination due to the lack of continued program funding. HHA will also provide a preference for any EHV family that experiences a loss or gap in assistance as a result of the lack of continued program funding. See **Priority #1 Preferences** for more information.

Upon approval from HUD, HHA will notify all EHV families that they are being placed on the regular HCV waiting list with an EHV preference to transition their voucher assistance to HHA's HCV program. No action by the family will be required, unless the family wishes to terminate their assistance upon the termination of the EHV program.

HHA will comply with the PIC reporting requirements as outlined in Notice PIH 2025-19. Specifically, when admitting an EHV family from the HCV waiting list, the family will be coded on the HUD-50058 as "EHCV." Families who are transitioned to HCV immediately upon termination of EHV assistance shall be processed in the system as an interim (if leasing in place) or as a move (if moving to a new unit).

24.7.2 Partnering Agencies

HHA is required by HUD to partner with the local Continuum of Care (CoC) to administer the EHV program. In addition to the CoC, HHA may enter into other partnerships with qualified organizations, in accordance with the parameters set forth in Notice PIH 2021-15.

Continuum of Care

The CoC is responsible for responding and meeting the needs of persons experiencing homelessness in Houston and the surrounding area.

Accordingly, the CoC and HHA have entered into a Memorandum of Understanding (MOU) which describes their roles and responsibilities in administering the EHV program.

24.7.3 Housing Search and Leasing

Initial Voucher Term

All EHVs will have an initial voucher term of 120 calendar days. The family must submit a Request for Tenancy Approval (RFTA) and proposed lease within the 120-day period unless HHA grants an extension, consistent with the extension policies in this Plan (see **Extensions of Voucher Term**).

Housing Search Assistance

HHA will require the CoC to provide housing search assistance for EHV families, including but not limited to the following:

1. Helping individual families identify potentially available units during their housing search, including physically accessible units with features for family members with disabilities, as well as units in low-poverty neighborhoods;
2. Providing transportation assistance and directions to potential units;
3. Conducting owner outreach;
4. Assisting with the completion of rental applications and HHA forms; and
5. Helping expedite the EHV leasing process for the family.

Pre-Inspections

To expedite the leasing process, HHA may pre-inspect available units that EHV families may be interested in leasing to maintain a pool of eligible units. If an EHV family selects a unit that passed an NPSIRE pre-inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305.

The family will be free to select their unit.

When a pre-inspected unit is not selected, HHA will make every effort to fast-track the inspection process, including adjusting the normal inspection schedule for any required re-inspections.

Initial Lease Term

EHV voucher holders may enter into an initial lease that is for less than 12 months.

24.7.4 Portability

The HCV portability procedures and requirements outlined in the chapter on **PORTABILITY** apply, with the following exceptions:

1. EHV applicant families may move under portability even if the family did not have legal residency in HHA's initial jurisdiction when they applied;
2. HHA cannot refuse to assist an incoming EHV family;
3. If a family with an EHV ports into HHA, HHA must bill the initial PHA;
4. If a family with a HHA EHV ports out to another PHA that administers EHVs, the receiving PHA must bill HHA; and
5. If a family with a HHA EHV ports out to another PHA that does not administer EHVs, the receiving PHA may absorb the family into its regular HCV program or bill HHA.

Family Briefing

In addition to providing the family with the briefing requirements, HHA will inform the EHV family as to how portability may impact the special EHV services and assistance that may be available to the family.

HHA will help facilitate the family's portability move to another PHA and inform the family of this requirement in writing, taking reasonable steps to ensure meaningful access for persons with limited English proficiency.

Coordination of Services

If the portability move is in connection with the EHV family's initial lease-up, HHA will consult and coordinate with the receiving/initial PHA (as applicable) on the EHV services and assistance that will be made to the family.

24.7.5 Payment Standards

HHA may establish a separate payment standard for the EHV program or may utilize the same payment standard schedule as the traditional HCV program. Payment standards will be reevaluated on an annual basis.

24.7.6 Rent Reasonableness

All rent reasonableness requirements apply to EHV units.

24.7.7 Termination of Vouchers

After September 30, 2023, HHA may not reissue EHVs when assistance for an EHV-assisted family ends. This means that when an EHV participant leaves the program for any reason, HHA may not reissue the EHV to another family unless it does so no later than September 30, 2023.

If an applicant family that was issued the EHV is unsuccessful in finding a unit and the EHV expires after September 30, 2023, the EHV may not be reissued to another family.

All EHVs under lease on or after October 1, 2023, may not under any circumstances be reissued to another family when the participant leaves the program for any reason.

An EHV that has never been issued to a family may be initially issued and leased after September 30, 2023, since this prohibition only applies to EHVs that are being reissued upon turnover after assistance to a family has ended. However, HUD may direct HHA to cease leasing any unleased EHVs if such action is determined necessary by HUD to ensure there will be sufficient funding available to continue to cover the HAP needs of currently assisted EHV families.

CHAPTER 25: MOD REHAB AND MOD REHAB SINGLE ROOM OCCUPANCY

25.1 OVERVIEW

The purpose of the Mod Rehab Program is to upgrade substandard rental housing and to provide rental subsidies for low-income families.

Moderate rehabilitation is rehabilitation involving a minimum expenditure of $1,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

1. Upgrade to decent, safe and sanitary condition to comply with inspection standards in accordance with the requirements in 24 CFR 5, Subpart G (Mod Rehab), 24 CFR 982, Subpart M (Mod Rehab SRO) or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance); or
2. Repair or replace major building systems or components in danger of failure.

MTW policies do not apply to clients in Mod Rehab or Mod Rehab SRO units.

25.2 APPLICABLE POLICIES

Participants in the Section 8 Mod Rehab and Mod Rehab SRO Programs will be governed by all applicable terms and conditions in the non-MTW HCV Administrative Plan policies, except where specific policy provisions are referenced in this chapter.

25.3 MODERATE REHAB PROGRAM

25.3.1 Eligible Properties

Units in congregate housing and group homes as well as some SROs (single room occupancy) are eligible for assistance under the Mod Rehab Program.

The following properties are not eligible for assistance under the Mod Rehab Program:

1. Nursing homes, units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions, and facilities providing continual psychiatric, medical or nursing services;
2. Housing owned by a State or unit of general local government; and
3. High-rise elevator projects for families with children (unless HUD determines there is no practical alternative. HUD may make this determination for a locality's Moderate Rehabilitation Program in whole or in part and need not review each building on a case-by-case basis).
4. Single room occupancy (SRO) housing, unless:
    a) The property is located in an area in which there is a significant demand for such units as determined by the HUD Field Office; and

b) The HHA and the unit of general local government in which the property is located approve of such units being utilized for such purpose.

No Section 8 assistance may be provided with respect to any unit occupied by the owner of the unit; however, cooperatives will be considered as rental housing for purposes of the Moderate Rehabilitation Program.

25.3.2 Term of Housing Assistance Payments Contract

The contract for any unit rehabilitated in accordance with the program must be for a term of 15 years.

25.3.3 Term of Lease

The initial lease between the family and the owner must be for at least one year or the term of the HAP contract, whichever is shorter. In cases where there is less than one year remaining on the HAP contract, the owner and HHA may mutually agree to terminate the unit from the HAP contract instead of leasing the unit to an eligible family.

Any renewal or extension of the lease term for any unit may not extend beyond the remaining term of the HAP contract.

25.3.4 Physical Condition and Standards

1. HHA will follow its Administrative Plan policies on **INSPECTIONS** for Mod Rehab units.
2. HHA will conduct annual NSPIRE inspections of Mod Rehab units and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services.
3. HHA will also conduct complaint inspections when complaints are received and processed.
4. If and when a unit fails an NSPIRE inspection, HHA will notify the owner that the unit(s) under contract are not being maintained in decent, safe and sanitary condition.
5. If the owner fails to take corrective action (including corrective action with respect to the family where the condition of the unit is the fault of the family) within the time prescribed in the notice, the HHA will exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the family continues in occupancy), termination of the Contract on the affected unit(s) and termination of assistance to the family.
6. HHA will conduct periodic NSPIRE quality control audits on units on the Mod Rehab program.

Space and Security

A dwelling unit used in the Section 8 moderate rehabilitation program that is not SRO housing must have a living room, a kitchen area, and a bathroom. Such a dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

Lead-Based Paint

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR 35, Subparts A, B, H, and R of this title apply to the Section 8 Moderate Rehabilitation Program.

25.3.5 Other Federal Requirements

The moderate rehabilitation program is subject to applicable federal requirements in 24 CFR 5.105 and to the requirements for protection for victims of domestic violence, dating violence, or stalking in 24 CFR 5, Subpart L.

25.3.6 Initial Contract Rents

Fair Market Rent (FMR) Limitation

The FMR Schedule for Moderate Rehabilitation is 120 percent of the Existing Housing FMR Schedule, except that the Fair Market Rent limitation applicable to single room occupancy housing is 75 percent of the Moderate Rehabilitation Fair Market Rent for a 0-bedroom unit.

The initial Gross Rent for any Moderate Rehabilitation unit will not exceed the Moderate Rehabilitation FMR applicable to the unit on the date that the Agreement is executed except by up to 10 percent except where an exception rent applies. Subject to the limitations in the policies on Changes in Initial Contract Rents during Rehabilitation, HHA may approve changes in the Contract Rent subsequent to execution of the Agreement which result in an initial Gross Rent which exceeds the Moderate Rehabilitation FMR applicable to the unit by up to 20 percent.

Exception Rents

With HUD Field Office approval, HHA may approve initial Gross Rents which exceed the applicable Moderate Rehabilitation FMRs by up to 10 percent for all units of a given size in specified areas where HUD has determined that the rents for standard units suitable for the Existing Housing Program are more than 10 percent higher than the Existing Housing FMRs.

Determination of Initial Contract Rents

1. The initial contract rent may in no event be more than:
    a) The Moderate Rehabilitation FMR or exception rent applicable to the unit on the date that the Agreement is executed, minus any applicable allowance for utilities and other services attributable to the unit.
2. When the initial contract rent is computed, the rent will be equal to the base rent plus the monthly cost of a rehabilitation loan. The base rent must be calculated using the rent charged for the unit or the estimated costs to the Owner of owning, managing and maintaining the rehabilitated unit.

Changes in Initial Contract Rents During Rehabilitation

1. The initial contract rents will be the contract rents on the effective date of the Contract except under the following circumstances:

a) When, during rehabilitation, work items (including substantial and necessary design changes) which:

   i. Could not reasonably have been anticipated or are necessitated by a change in local codes or ordinances, and

   ii. Were not listed in the work write-up prepared or approved by the HHA, are subsequently required and approved by HHA.

b) When the actual cost of the rehabilitation performed is less than that estimated in the calculation of contract rents for the Agreement or the actual, certified costs are more than estimated due to unforeseen factors beyond the owner's control (e.g., strikes, weather delays or unexpected delays caused by local governments).

c) When HHA (or HUD) approves changes in financing.

d) When the actual relocation payments made by the Owner to temporarily relocated Families varies from the cost estimated in the calculation of contract rents for the Agreement.

e) When necessary to correct errors in computation of the base and contract rents to comply with the HUD requirements.

25.3.7 Rent Adjustments

Annual Adjustments

The Annual Adjustment Factors which are published annually by HUD will be utilized. On or after each annual anniversary date of the Contract, the contract rents may be adjusted in accordance with HUD procedures, effective for the month following the submittal by the Owner of a revised schedule of contract rents.

The changes in rent as a result of the adjustment cannot exceed the amount established by multiplying the Annual Adjustment Factor by the base rents. However, if the amounts borrowed to finance the rehabilitation costs or to finance purchase of the property are subject to a variable rate or are otherwise renegotiable, contract rents may be adjusted in accordance with other procedures as prescribed by HUD, and specified in the Contract, provided that the adjusted contract rents cannot exceed the rents established by multiplying the Annual Adjustment Factor by the contract rents.

Overall Limitation on Contract Rent

Adjustments to rent must not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by HHA.

Special Adjustment

A special adjustment, to the extent determined by HUD, to reflect increases in the actual and necessary expenses of owning and maintaining the unit which have resulted from substantial general increases in real property taxes, assessments, utility rates and utilities not covered by regulated rates, may be recommended by HHA for approval by HUD.

Subject to appropriations, a special adjustment may also be recommended by the HHA for approval by HUD when HUD determines that a project is located in a community where drug-

related criminal activity is generally prevalent, and not specific to a particular project, and the project's operating, maintenance, and capital repair expenses have substantially increased primarily as a result of the prevalence of such drug-related activity. HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.

Rent Increases

Rent increases will be monitored on a per contract basis. The owner must give proper written notice to the tenant and the Authority. Annual increases will be calculated based on Mod Rehab program regulations. Properties that are not eligible for renewal are not eligible to receive rent increases. Mod Rehab contracts that are still in the initial period of contract are eligible to request rent increases when requested in writing prior to the anniversary date of the contract.

25.3.8 Mod Rehab Vacancies from Execution to Initial Occupancy

If a contracted unit is not leased within fifteen (15) days of the effective date of the Contract for such unit, the Owner will be entitled to housing assistance payments in the amount of 80 percent of the contract rent for the unit for a vacancy period not exceeding sixty (60) days from the effective date of the Contract. The owner is entitled to the vacancy claim if the owner has:

1. Complied with the requirements of the Agreement concerning vacancies during rent-up;
2. Taken and continues to take feasible actions to fill the vacancy; and
3. Not rejected any eligible applicant except for good cause acceptable to HHA.

25.3.9 Mod Rehab Vacancy Claims – After Initial Occupancy

1. If an assisted individual moves from a Contracted Unit after initial occupancy under the Contract (other than as a result of action by the Owner which is in violation of the lease or the Contract or any applicable law), the Owner must be paid the housing assistance payment due under the Contract for the period of the month in which the individual moves from the unit as the unit remains vacant.
2. If the Contract Unit continues to remain vacant, HHA will provide the Owner with a housing assistance payment in the amount of 80 percent of the contract rent pro-rated for a vacancy period not exceeding one additional month. If the Owner collects any of the assisted individual's portion of the rent for the additional month, HHA will reduce the payment for the Contract Unit to an amount which when added to the individual's payment, does not exceed 80 percent of the prorated contract rent. The Owner must reimburse HHA for any excess payment.
3. If the Owner evicts the assisted individual, the Owner is not entitled to any payment for vacancies after rent-up unless HHA determines that the Owner complied with all the requirements of the Contract (including requirements for termination of tenancy and eviction).
4. The Owner is not entitled to any vacancy claim payment after initial lease-up unless the Owner:

a) Immediately upon learning of the vacancy, has notified HHA of the vacancy or prospective vacancy. HHA defines immediate in this instance to be within 15 calendar days of learning of the vacancy or prospective vacancy;

b) Has taken and continues to take all feasible actions to fill the vacancy;

c) Has not rejected any eligible applicant, except for good cause acceptable to HHA; and

d) If the owner evicts an eligible family, the owner will not be entitled to any payment unless HHA determines that the owner complied with all requirements of the Contract.

Prohibition of Double Compensation for Vacancies

The Owner will not be entitled to housing assistance payments with respect to vacant units if the Owner is entitled to payments from other sources (for example, payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the HCD Act of 1974 or payments for unpaid rent under § 882.414 (Security and Utility Deposits)).

25.3.10 Security and Utility Deposits

1. At the time of initial lease-up if the Owner wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or $50. However, this amount shall not exceed the maximum amount allowable under State or local law.

2. If a Family vacates the unit, the Owner, subject to State and local law, may use the security deposit as reimbursement for any unpaid Tenant Rent or other amount which the Family owes under the lease.

3. If a Family vacates the unit owing no rent or other amount under the lease consistent with State or local law or if such amount is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance to the Family.

4. In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. The Owner shall comply with all State and local laws regarding interest payments on security deposits.

5. If the security deposit is insufficient to reimburse the Owner for the unpaid Tenant Rent or other amounts which the Family owes under the lease, or if the Owner did not collect a security deposit, the Owner may claim reimbursement from the HHA for an amount not to exceed the lesser of:

    a) The amount owed the Owner, or

    b) Two months' contract rent; minus, in either case, the greater of the security deposit actually collected or the amount of security deposit the Owner could have collected under the program (pursuant to paragraph (a) of this section).

6. Any reimbursement must be applied first toward any unpaid Tenant Rent due under the lease and then to any other amounts owed.

7. No reimbursement may be claimed for unpaid rent for the period after the Family vacates.

25.3.11 Subcontracting of Owner Services

Any Owner may contract with any private or public entity to perform for a fee the services required by the Agreement, Contract or lease, provided that such contract may not shift any of the Owner's responsibilities or obligations.

HHA Management

If the Owner and HHA wish to enter into a management contract, they may do so provided that:

1. The Housing Assistance Payments Contract with respect to the housing involved is administered by another PHA, or
2. Should another PHA not be available and willing to administer the Housing Assistance Payments Contract and no other management alternative exists, the HUD Field Office may authorize HHA management of units administered by HHA in accordance with specified criteria.
3. Notwithstanding the provisions of regulations regarding Initial contract rents, HHA may not approve, without prior HUD approval, rents which exceed the appropriate Moderate Rehabilitation FMR for a unit for which it provides the management functions.

25.3.12 Waiting List

HHA will establish and waiting lists for its Mod Rehab properties and refer all eligible applicants on the waiting list to owners of units assisted through the Section 8 Existing Moderate Rehabilitation Program and SRO Programs.

25.3.13 Statement of Family Responsibility

A family who is determined eligible to participate in the Moderate Rehabilitation will be issued a Statement of Family Responsibility. Program tenants must comply with all terms and conditions of the Statement of Family Responsibility.

25.3.14 Over-Crowded and Under-Occupied Units

If HHA determines that the family either is under-utilizing or overcrowding the unit due to a change in the family composition, HHA will assist the family in locating another Moderate Rehabilitation, SRO or UBV Program unit of the appropriate size. If such a unit is not available, HHA may offer continued assistance through other programs administered by HHA. In no case will a Family be forced to move nor will housing assistance payments under the Contract be terminated unless the Family rejects without good reason the offer of a unit which HHA judges to be acceptable.

25.3.15 Adjustment of Utility Allowance

HHA will determine, at least annually, whether an adjustment is required in the Utility Allowance applicable to the dwelling units in the Program, on grounds of changes in utility rates or other change of general applicability to all units in the Program. HHA may also establish a separate schedule of allowances for each building of 20 or more assisted units, based upon at least one year's actual utility consumption data following rehabilitation under the Program. If HHA determines that an adjustment should be made in its Schedule of Allowances or if it establishes a separate schedule for a building which will change the allowance, HHA will then determine the amounts of adjustments to be made in the amount of rent to be paid by affected Families and the

amount of housing assistance payments and will notify the Owners and Families accordingly. Any adjustment to the Allowance must be implemented no later than at the Family's next reexamination or at lease renewal, whichever is earlier.

25.3.16 Lease

The lease will include all provisions required by HUD and will not include any provisions prohibited by HUD. The lease will provide that:

1. Drug-related criminal activity engaged in on or near the premises by any tenant, family member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control is grounds for the owner to terminate tenancy.
2. The owner may terminate the tenancy of a family when the owner determines that a family member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
3. The requirements in the section on Termination of Tenancy are incorporated into the dwelling lease between the Owner and the Family.

Grounds for Termination of or Refusal to Renew the Lease

The Owner must not terminate or refuse to renew the lease except upon the following grounds:

1. Serious or repeated violation of the terms and conditions of the lease;
2. Violation of applicable federal, State or local law;
3. Other good cause.

25.3.17 Termination of Tenancy

The Owner must serve a written notice of termination of tenancy to the Family which states the date the tenancy shall terminate. Such date must be in accordance with the following:

1. When termination is based on failure to pay rent, the date of termination must be not less than five working days after the Family's receipt of the notice.
2. When termination is based on serious or repeated violation of the terms and conditions of the lease or on violation of applicable federal, State or local law, the date of termination must be in accordance with State and local law.
3. When termination is based on other good cause, the date of termination must be no earlier than 30 days after the notice is served on the Family.

In actions or potential actions to terminate tenancy, the Owner shall follow 24 CFR 5, Subpart L, in all cases where domestic violence, dating violence, stalking, or human trafficking, or criminal activity directly related to domestic violence, dating violence, stalking, or human trafficking is involved or claimed to be involved.

The notice of termination must:

1. State the reasons for such termination with enough specificity to enable the Family to prepare a defense.

2. Advise the Family that if a judicial proceeding for eviction is instituted, the tenant may present a defense in that proceeding.

3. Be served on the Family by sending a prepaid first class properly addressed letter (return receipt requested) to the tenant at the dwelling unit or by delivering a copy of the notice to the dwelling unit.

4. Include such information to tenants during a national emergency, as required by the Secretary.

Substitution of State and Local Requirements

In the case of failure to pay rent, a notice of termination which is issued pursuant to State or local law or is common practice in the locality and which satisfies the notice requirements may be substituted for or run concurrently with the notice.

Eviction

All evictions must be carried out through judicial process under State and local law. *Eviction* means the dispossession of the Family from the dwelling unit pursuant to State or local court action.

25.3.18 Reduction of Number of Units Covered by Contract

Limitation on Leasing to Ineligible Families

Owners must lease all assisted units under Contract to Eligible Families. Leasing of vacant, assisted units to ineligible tenants is a violation of the Contract and grounds for all available legal remedies, including suspension or debarment from HUD programs and reduction of the number of units under the Contract.

Once the HHA determined that a violation exists, HHA will notify HUD of its determination and the suggested remedies. At the direction of HUD, HHA will take the appropriate action.

Reduction for Failure to Lease to Eligible Families

If, at any time beginning six months after the effective date of the Contract, the Owner fails for a period of six continuous months to have at least 90 percent of the assisted units leased or available for leasing by Eligible Families (because families initially eligible have become ineligible), HHA may, on at least 30 days' notice, reduce the number of units covered by the Contract.

HHA may reduce the number of units to the number of units actually leased or available for leasing by Eligible Families plus 10 percent (rounded up). If the Owner has only one unit under Contract and if one year has elapsed since the date of the last housing assistance payment, the Contract may be terminated with the consent of the Owner.

Restoration

HHA will agree to an amendment of the Contract, to provide for subsequent restoration of any reduction if:

1. HHA determines that the restoration is justified by demand,

2. The Owner otherwise has a record of compliance with obligations under the Contract, and
3. Contract authority is available.

25.3.19 Initial Determination of Family Eligibility

HHA will receive and review applications, and determine family eligibility for participation. HHA will verify the sources and amount of the family's income and other information necessary for determining income eligibility and the amount of the assistance payments.

HHA records on applicants and Families selected to participate will be maintained so as to provide HUD with racial, gender, and ethnic data.

25.3.20 Selection of Families for Participation

When vacancies occur, HHA will refer to the Owner one or more appropriate size Families on its waiting list. HHA will select Families for participation in accordance with the provisions of the Program and in accordance with HHA's application, including any HHA requirement or preferences as approved by HUD.

HHA will select Families eligible for housing assistance payments currently residing in units that are designated for rehabilitation under the Program without requiring that these Families be placed on the waiting list.

Notwithstanding the fact that HHA may not be accepting additional applications for participation because of the length of the waiting list, HHA will not refuse to place an applicant on the waiting list if the applicant is otherwise eligible for participation and claims that he or she qualifies for a federal preference as provided in 24 CFR 5, unless the HHA determines, on the basis of the number of applicants who are already on the waiting list and who claim a federal preference, and the anticipated number of admissions under this part, that:

1. There is an adequate pool of applicants who are likely to qualify for a federal preference and
2. It is unlikely that, on the basis of HHA's system for applying the federal preferences, the preference or preferences that the applicant claims, and the preferences claimed by applicants on the waiting list, the applicant would qualify for assistance before other applicants on the waiting list.

25.3.21 Owner Selection of Families

All vacant units under Contract will be rented to Eligible Families referred by HHA from its waiting list. However, if HHA is unable to refer a sufficient number of interested applicants on the waiting list to the Owner within 30 days of the Owner's notification to HHA of a vacancy, the Owner may advertise or solicit applications from Low-Income Families and refer such Families to HHA to determine eligibility.

Since the Owner is responsible for tenant selection, the Owner may refuse any family, provided that the Owner does not unlawfully discriminate. However, the Owner must not deny program assistance or admission to an applicant based on the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

Should the Owner reject a Family, and should the Family believe that the Owner's rejection was the result of unlawful discrimination, the Family may request the assistance of HHA in resolving the issue. If the issue cannot be resolved promptly, the Family may file a complaint with HUD, and HHA may refer the Family to the next available Moderate Rehabilitation unit.

25.3.22 Denial of Assistance

HHA will follow the screening policies in this Administrative Plan to applicants to the Mod Rehab program, as outlined in the **Denial of Assistance** section of the Eligibility chapter in this Plan.

25.3.23 Briefing of Families

When a Family is initially determined to be eligible for housing assistance payments or is selected for participation in accordance with this section, HHA will provide the Family with information as to the Tenant Rent and the HHA's schedule of Utility Allowances. Each Family must also, either in group or individual sessions, be provided with a full explanation of the following:

1. Family and Owner responsibilities under the lease and Contract;
2. Significant aspects of the applicable State and local laws;
3. Significant aspects of federal, State and local fair housing laws;
4. The fact that the subsidy is tied to the unit and the Family must occupy a unit rehabilitated under the Program;
5. The Family's options under the Program should the Family be required to move due to an increase or decrease in Family size; and
6. The advisability and availability of blood lead level screening for children under 6 years of age and HUD's lead-based paint requirements in **24 CFR 35**, Subparts A, B, H, and R of this title.
7. For all Families to be temporarily relocated, the briefing must include a discussion of the relocation policies.

25.3.24 Continued Participation of Family When Contract Is Terminated

If an Owner evicts an assisted family in violation of the Contract or otherwise breaches the Contract, and the Contract for the unit is terminated, and if the Family was not at fault and is eligible for continued assistance, the Family may continue to receive housing assistance through the conversion of the Moderate Rehabilitation assistance to tenant-based assistance under the Section 8 Voucher program.

The Family will then be issued a voucher, and treated as any participant in the tenant-based program and will be assisted by HHA in finding a suitable unit. All tenant-based program requirements will be applicable except that the term of any housing assistance payments contract may not extend beyond the term of the initial Moderate Rehabilitation Contract.

If the Family is determined ineligible for continued assistance, the voucher will be offered to the next Family on HHA's waiting list. The unit will remain under the Moderate Rehabilitation ACC which provides for such a conversion of the units; therefore no amendment to the ACC will be necessary to convert to the Section 8 tenant-based assistance programs.

25.3.25 Ineligible Families

If a Family is determined to be ineligible in accordance with HHA's HUD-approved application, either at the application stage or after assistance has been provided on behalf of the Family, HHA shall promptly notify the Family by letter of the determination and the reasons for it and the letter shall state that the Family has the right within a reasonable time to request an informal hearing. If, after conducting such an informal hearing, HHA determines, based on a preponderance of the evidence, that the Family is ineligible, it shall notify the Family in writing.

25.3.26 Regular Reexaminations

HHA will reexamine the income and composition of all families at least once every 12 months. After consultation with the family and upon verification of the information, HHA will make appropriate adjustments in the Total Tenant Payment and determine whether the family's unit size is still appropriate.

25.3.27 Interim Reexaminations

If HHA receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, HHA will consult with the family and make any adjustments determined to be appropriate. Any change in the family's income or other circumstances that results in an adjustment in the Total Tenant Payment, Tenant Rent, and Housing Assistance Payment will be verified. HHA will follow Admin Plan policies on required and voluntary interim reexaminations.

25.3.28 Obligation to Supply Information

The family must supply such certification, release, information or documentation as HHA or HUD determine to be necessary, including submission of required evidence of citizenship or eligible immigration status, submission of Social Security numbers and verifying documentation, submission of signed consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, and submissions required for an annual or interim reexamination of family income and composition.

25.3.29 Continuation of Housing Assistance Payments

A family's eligibility for Housing Assistance Payments shall continue until the Total Tenant Payment equals the Gross Rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents or other relevant circumstances during the term of the Contract. However, eligibility also may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information, including failure to meet the disclosure and verification requirements for Social Security numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies.

25.3.30 Maintenance and Operation

The Owner must provide all the services, maintenance and utilities as agreed to under the Contract, subject to abatement of housing assistance payments or other applicable remedies if the Owner fails to meet these obligations.

25.3.31 Periodic Inspection

In addition to the inspections required prior to execution of the Contract, HHA will inspect or cause to be inspected each dwelling unit under Contract at least annually and at such other times as may be necessary to assure that the Owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services. HHA will take into account complaints and any other information coming to its attention in scheduling inspections.

Units Not Decent, Safe and Sanitary

If HHA notifies the Owner that the unit(s) under Contract are not being maintained in decent, safe and sanitary condition and the Owner fails to take corrective action (including corrective action with respect to the Family where the condition of the unit is the fault of the Family) within the time prescribed in the notice, HHA may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the Family continues in occupancy), termination of the Contract on the affected unit(s) and assistance to the Family.

25.3.32 Termination of Assistance

HHA will follow its policies in this Administrative Plan regarding termination of assistance.

In addition to other conditions governing termination of assistance as outlined herein, assistance through the HCV program will terminate when a family voluntarily vacates a Section 8 Moderate Rehabilitation unit.

25.4 MOD REHAB SRO FOR HOMELESS INDIVIDUALS

The Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals (SRO) assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings. The program is authorized under McKinney-Vento Homeless Assistance Act.

Under the Section 8 Mod-Rehab SRO Program at HHA, HUD enters into Annual Contributions Contracts with PHA (PHAs), whereby HUD agrees to provide annual support to cover housing assistance payments made by HHA to participating owners.

The Houston Housing Authority is responsible for providing the rental assistance for the SRO units. Additionally, HHA is responsible for verifying tenant eligibility and for conducting initial inspections and annual inspections on all units to ensure compliance with HUD's inspection standards.

25.4.1 Housing Assistance Payments Contract

1. *Time of execution.* Upon HHA acceptance of the unit(s) and certifications pursuant to 882.507, the Contract will be executed by the Owner and HHA. The effective date must be no earlier than the HHA inspection which provides the basis for acceptance as specified §882.507(e).
2. *Term of contract*. The contract for any unit rehabilitated in accordance with this program must be for a term of 10 years. The contract must give HHA the option to renew the contract for an additional 10 years.

3. *Changes in contract rents from agreement.* The contract rents may be higher or lower than those specified in the Agreement, in accordance with §882.805(d).

4. *Unleased unit(s).* At the time of execution of the Contract, the Owner will be required to submit a list of dwelling unit(s) leased and not leased as of the effective date of the Contract.

5. *Contract rents at end of rehabilitation loan term.* For a contract in which the initial contract rent was based upon a loan term shorter than 10 years, the contract must provide for reduction of the contract rent effective with the rent for the month following the end of the term of the rehabilitation loan. The amount of the reduction will be the monthly cost of amortization of the rehabilitation loan. This reduction should result in a new contract rent equal to the base rent plus all subsequent adjustments.

25.4.2 Tenant Selection

The owner will rent all vacant units under contract to homeless individuals located through HHA or owner outreach efforts and determined by HHA to be eligible. The owner is responsible for tenant selection and may refuse any individual, provided the owner does not unlawfully discriminate.

If the owner rejects an individual, and the individual believes that the owner's rejection was the result of unlawful discrimination, the individual may request HHA assistance in resolving the issue and may also file a complaint with HUD's Office of Fair Housing and Equal Opportunity in accordance with 24 CFR 103.25. HHA will follow its informal review procedures for individuals who request HHA's assistance in resolving an issue related to an owner eligibility determination.

25.4.3 Waiting List

For Mod Rehab SRO, HHA will generally follow the provisions under **Waiting List** outlined in the Mod Rehab section of this Plan. However, homeless individuals have the first priority for occupancy of housing rehabilitated under this program.

25.4.4 Eligibility

1. Applicants are screened and referred by the owner to HHA for vacant units. Applicant screening consists of owner screening for program eligibility and suitability to the SRO environment.

2. Referring agencies complete HHA's program referral form which certifies the homeless status of the applicant being referred.

3. Referring agencies must have applicants complete HHA's Project Based Application and Required forms.

4. HHA reviews applications sent from the referring agency and determines family eligibility for the Mod/Rehab SRO Program in accordance with HUD regulations at 24 CFR 882.514(a) and HHA's Administrative Plan screening policies including:

    a) Criminal background and sex offender screening;

    b) Required EIV checks; and

    c) Debts owed to HHA.

5. Homeless individuals have the first priority for occupancy of housing rehabilitated under this program.

6. HHA will verify the sources and amount of the family's income and other information necessary for determining eligibility and the amount of the assistance payments. HHA's verification procedures in the Administrative Plan are used by staff when determining eligibility for the program.

7. If a Family is determined to be ineligible, HHA will notify the Family by letter of the determination and the reason. The letter states that the applicant has the right within 10 days to request an informal review.

25.4.5 Briefing

HHA conducts oral briefings for all families determined eligible for the program at the lease signing. Briefings will include the information as noted under **Briefing of Families** in the Mod Rehab section, except that it will not include a discussion of relocation policies.

25.4.6 Lease

The lease will include the provisions under **Term of Lease** and **Lease** in the Mod Rehab section. In addition, the lease must limit occupancy to one eligible individual.

25.4.7 Addendum to the Lease

1. The Section 8 Moderate Rehabilitation Program Addendum to the lease is signed by both the owner and tenant at HHA's office.

2. In case of any conflict between the addendum and the owner lease and the addendum to the lease provisions prevail.

3. The addendum to the lease must contain the following:

    a) Contract rent,

    b) Housing Assistance Payment payable by HHA,

    c) Amount payable by family (tenant rent portion),

    d) Utility responsibility.

25.4.8 Responsibility of the Individual

An individual who is determined eligible to participate in the Mod Rehab SRO will be issued a Statement of Family Responsibility. Program tenants must comply with all terms and conditions of the Statement of Family Responsibility.

25.4.9 Security and Utility Deposits

The provisions related to **Security and Utility Deposits** for the Mod Rehab program also apply to the Mod Rehab SRO program.

25.4.10 Tenant Rent

Mod Rehab SRO tenants pay rent in accordance with non-MTW policies on calculating rent and **Minimum Rent**.

25.4.11 Initial Contract Rent

Initial contract rents for the Mod Rehab SRO program will follow the provisions under **Initial Contract Rents** in the Mod Rehab section of this Plan.

25.4.12 Contract Rent Adjustments

1. The SRO program provides for annual adjustments to the base rent to account for inflation over the 10 years of the HAP Contract. Generally, the Annual Adjustment Factor published by HUD is used to adjust SRO contract rents. Annual adjustments should provide the owner with a sufficient rent to operate and maintain the property during the HAP Contract. Additionally, HUD may approve special adjustments to reflect the increases in the actual and necessary expenses of owning and maintaining a unit which have resulted from substantial general increases in real property taxes, utility rates, and assessments and utilities not covered by regulated rates

2. HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.

3. The special rent adjustments will only be approved if and to the extent the Owner clearly demonstrates that these general increases have caused increases in the owners operating costs which are not adequately compensated for by annual adjustments.

4. The Owner must submit financial information to the HHA which clearly supports the increase. For Contracts of more than twenty units, the Owner must submit audited financial information.

5. Adjustments to the rent must not result in material differences between the rents charged for assisted and comparable unassisted units.

25.4.13 Steps to Review Moderate Rehabilitation Contracts (Mod Rehab) for Contract Rent Adjustments

Eligible SRO HAP contracts will have contract rents set at the lower of three analyses conducted:

1. OCAF (Operational Cost Adjustment Factor) – Existing contract rents, adjusted by an operating cost adjustment factor (OCAF); When applying the OCAF, the HHA must use the most recently published factors.

2. 110% of FMR (minus) Utility Allowance – Existing fair market rent (FMRs) (less any amounts for tenant-purchased utilities); or

3. Rent Reasonableness test conducted by HHA – Comparable market rents for the market area.

25.4.14 Recertifications

HHA will conduct annual and interim recertification of income and family composition for SRO clients according to HHA's Administrative Plan policies on recertification, income and rent

calculation for non-MTW participants. HHA does not apply MTW flexibilities to the SRO program units.

During recertifications, HHA will verify that only one individual is occupying the unit.

25.4.15 Vacancy Payments

Vacancy payments for Mod Rehab SRO units will follow the provisions of **Mod Rehab Vacancies from Execution to Initial Occupancy** and **Mod Rehab Vacancy Claims – After Initial Occupancy** in the Mod Rehab section of this Plan.

25.4.16 Continuation of Housing Assistance Payments

Continuation of HAP for the Mod Rehab SRO follow the provisions under **Continuation of Housing Assistance Payments** in the Mod Rehab section of this Plan.

25.4.17 Supportive Services

- The rental assistance provided by HHA will not be used for supportive services. Supportive services are provided either internally by case management staff at the development or services may be contracted to an outside vendor.
- The Mod Rehab SRO program does not provide funding to support the social services that are offered with this type of housing. Other federal programs, public or private health or social service agencies, or other project sponsor funding may fund supportive services.

25.4.18 Reduction in the Number of Units Covered under the Contract

Reduction in the number of units covered by the Mod Rehab SRO contract follow the provisions under **Reduction of Number of Units Covered by Contract** in the Mod Rehab section of this Plan.

25.4.19 Inspections

HHA will follow its policies on **INSPECTIONS** for units on the SRO program.

25.4.20 Termination

HHA will apply to its Mod Rehab SRO program the provisions under **Termination of Assistance** in the Mod Rehab section of this Plan.

25.4.21 Continued Participation When the Contract Is Terminated

The provisions under **Continued Participation of Family When Contract Is Terminated** in the Mod Rehab section of this Plan apply to the Mod Rehab SRO program.

CHAPTER 26: SPECIAL FUNDING INITIATIVES

26.1 OVERVIEW

This chapter identifies policies for special funding initiatives, such as grants, to conduct specific activities.

26.2 HOUSING MOBILITY SERVICES

In 2023, HHA was awarded funding for Housing Mobility-Related Services from HUD. Through this opportunity, HHA will utilize a combination of administrative policies, client services, financial assistance, and owner outreach activities to assist HCV-assisted households move into and maintain residency in high-opportunity areas and benefit from the community's resources.

Housing Mobility Programs seek to fulfill a variety of goals:

- Racial and economic integration;
- Social mobility and health benefits;
- Reducing harms associated with living in high-poverty communities; and
- Affirmatively furthering Fair Housing.

Through its Housing Mobility Services grant, HHA seeks to increase housing choices for HCV families with children and increase the number of HCV families with children living in high-opportunity neighborhoods.

The policies for this limited program are outlined in this section; however, staff will follow the procedures described in HHA's Housing Mobility Services application and any related procedural documents.

26.2.1 Capacity

Under this funding and subject to funding availability, HHA anticipates providing housing mobility-related services to up to 200 HCV families with children each year for a total of five (5) years, or 1,000 families in total. The program anticipates enrolling families beginning in 2024.

26.2.2 Eligibility

In order to be eligible for assistance under this program, the household must be either a new applicant who has been issued an HHA voucher or a current participant with an active tenant-based voucher from HHA.

- *New applicants* must have been selected from HHA's waiting list, determined eligible for HCV assistance, and issued a tenant-based voucher at the time of initial enrollment in the Housing Mobility Program. The voucher must not be expired at the time of enrollment. Applicants on HHA's waiting list who have not yet been selected or determined eligible for the HCV program and/or have been denied HCV assistance are not eligible for the Housing Mobility Program.

- *Current HCV participants* must be in good standing with HHA and their landlord. Good standing means that they must not be in the process of being terminated by HHA, in default on a tenant payment agreement with HHA, or out of compliance with the terms of their lease or any other program policies. Applicants in PBV units may be eligible if they have requested, been approved for, and selected for Tenant-Based assistance, and have an active/unexpired Tenant-Based Voucher.

Additionally, there must be at least one child in the household aged 17 or younger at the time of initial enrollment in the program.

26.2.3 Recruitment and Enrollment

HHA will aim to enroll approximately 15-20 HCV families with children monthly. Each Case Manager will serve a caseload of approximately 40 households each year, allowing HHA to serve up to 200 households each year and up to 1,000 households over the 5-year grant period.

HHA will initially reach out to existing voucher holders and, if space in the program is available, will also reach out to eligible households coming off the HCV waiting list. For the initial phase of outreach HHA will mail invitations to existing voucher holders (including Tenant-Based and Project-Based voucher participants). HHA will then conduct a lottery to place 300 participants on the initial interest list for the program. After the initial phase of outreach and enrollment, HHA will target outreach to all HCV participants and applicants by providing information about the program during initial voucher holder workshops and at recertification, and will place brochures describing the program in the HHA lobby and on the HHA website.

Up to five (5) program slots per year will be available for eligible households who have been identified and approved for participation by the President and CEO or their designee.

26.2.1 Organization of the Interest List

HHA will establish a waiting list for the Housing Mobility Program.

All HCV applicants and participant families with at least one child aged 17 or younger living in the household may apply for participation in the program and have the opportunity to be placed on the interest list. After the initial lottery, all applications on the waiting list will be ordered according to date and time of application.

At such time that the interest list is longer than available slots for the following year, HHA will stop actively recruiting families to participate until there is more availability for the program.

26.2.2 Housing Mobility Services

HHA will provide the full range of required pre-move and post-move services to support voucher holders living in high-poverty areas to move to high-opportunity neighborhoods. Services will include:

1. **Pre-Move Services:** When a household is enrolled into the Housing Mobility Services program, the Case Manager will contact the household to schedule an initial meeting. During this initial meeting, the Case Manager will discuss the family's housing needs and wants, including any non-negotiables (first-floor units, pets, only single-family homes vs. apartments, etc.). The Case Manager will then work with the household to map their family systems, discussing their current social support system and placing key supports on a

map (such as schools, extra-curricular activities, childcare, work, healthcare, and religious institutions). The Case Manager and the family will then determine what is movable vs. non-movable for the family and discuss what resources the family will need in their new community. The Case Manager will then discuss potential opportunity areas that may be a good fit for the family, given their specific needs and the locations of their non-movable family supports. Additionally, they will provide a map of HHA's designated opportunity areas to the family and will discuss the short-term and long-term benefits of moving to an opportunity area. They will work collaboratively with the household to develop a Family Preparation Plan (FPP) outlining the family's housing goals and the steps to achieve them and help them move to an opportunity area. They will work with the household to calculate affordability for potential opportunity areas and discuss the household's share of rent based on rental costs and voucher payment standards for the opportunity areas being considered. The Case Manager will discuss family concerns about moving to a new area (helping their children get situated in a new school commute to work). During this initial meeting, the Case Manager will also discuss any potential barriers to moving the family may face. With the family's approval, the Case Manager will run a soft credit pull and a background check and will review the results of these reports with the family. They will also review any recent evictions and/or utility arrears with the family and develop a strategy to address those challenges in the application cover letter to be submitted to landlords.

The Case Manager will refer families with low credit scores or who otherwise may benefit from financial literacy services to Credit Coalition (financial education on establishing/repairing credit), The Women's Resource (finance classes and financial coaching), Covenant Community Capital (financial literacy education and IDA supports), There is No Box CDC (budget preparation, credit counseling, financial literacy education), and/or The Alliance (financial education and financial coaching). At the end of the initial meeting, the Case Manager will review the next steps with the household and provide them with a client binder with the materials reviewed during the meeting.

2. **Family Preparation:** Family preparation services will be focused on preparing families for the housing search process. Program participants will be required to participate in HHA's STAR Program learning module, which will focus on preparing households for successful tenancies.

   In addition, HHA will provide a series of workshops for families, including:

   - Housing search (how to search for housing, how to use HHA's address locator tool, how to use online housing search engines, and best practices for making a good first impression with property owners),
   - Renter's basics (how to read a lease, paying rent timely, the basics of owner-tenant law, how to turn on utilities, how to handle maintenance issues that arise, how to be a good renter, and the HHA inspection procedures), and
   - Money management (intro to credit history and how it can impact rental applications, the costs of moving and furnishing a home, and the importance of paying rent and utilities timely).

   The Case Manager will also refer households to outside entities for services to address other identified barriers as needed. As needed/desired by the family, the Case

Manager will also help to coordinate tours of schools/meetings with school staff/educators at schools in opportunity neighborhoods and coordinate tours/meetings with any other key services (such as after-school care) in the opportunity neighborhoods to help households get better acquainted with the opportunity neighborhoods. The Case Manager will also work with the household to draft an application cover letter that introduces them to potential landlords, highlights why they would make excellent tenants, and addresses any barriers that may come up during the application process (such as low credit score or prior evictions). During the Family Preparation Phase, the Case Manager will contact households periodically (via text, email, or phone) to check their progress and determine when the household is ready to move to the Housing Search phase.

Additionally, the Case Manager will identify and provider referrals to other available resources and programs that the family may qualify for such as the Family Self-Sufficiency (FSS) program, the Opportunity Neighborhoods Program, and other incentive programs designed to increase economic mobility and opportunity for participants. Participation in these programs is not required.

3. **Housing Search:** Once a household is ready for a housing search, they will work alongside their Case Manager to search for units in opportunity neighborhoods. The Case Manager, with support from HHA's existing team of Landlord Liaisons, will continuously scour rental listings within opportunity neighborhoods within the HHA's jurisdiction. When the Case Managers identify units within opportunity neighborhoods, they confirm unit affordability and reach out to the property owner to discuss the housing mobility program and encourage the owner to participate, providing an overview of the leasing process and working to assuage any concerns the owner may have. For owners interested in participating, the Case Managers will place the unit on a list of available units. The Case Managers will review/update this list weekly to ensure units remain available. When a household moves to the Housing Search phase, their Case Manager will review available listings to identify units that meet the family's wants/needs. The Case Manager will present these units to the family, and should the family be interested in one or more of the units, the Case Manager will accompany the family to view the units. The Case Manager will provide households with units that meet their needs/wants on an ongoing basis. HHA will develop – and make available to participating households and property owners – an online tool that can be used to determine if a property is in an opportunity area and that shows what rents are considered to be affordable in each opportunity area by voucher size and unit size. Once a household has identified a unit they like, the Case Manager will support them in submitting an application (including the cover letter they drafted during the pre-move phase). Flexible financial assistance with application fees will be available during this stage.

   The initial voucher search term is currently 120 days; however, Mobility Program participants will be eligible for an automatic 30-day extension beyond the initial voucher term. Additional extensions may be given as a reasonable accommodation or for other extenuating circumstances, as evaluated by HHA.

4. **Lease-Up:** Once a property owner has approved a household's application, the household moves to the lease-up phase. HHA will prioritize and expedite inspections for Housing

Mobility households, and the Case Manager will assist the household with understanding their lease and coordinating their move.

HHA will provide financial assistance to program participants up to a maximum of $1,775 under this Housing Mobility Program. Households may utilize other grants and/or resources beyond these amounts; however, the cap for Housing Mobility Program funds is $1,775 per household. This may include a combination of (1) damage mitigation assistance (required); (2) security deposit assistance; and/or (2) flexible financial assistance; as described below:

- **Damage Mitigation Assistance:** $300 (of the $1,775 maximum assistance) will automatically be set aside for each participant household at the start of their program participation to be used for damage mitigation, in the event that there is tenant-caused damage to the unit. The $300 will be held in a damage mitigation fund for the household for the duration of their tenancy in the unit. If the damage mitigation funds are not fully utilized upon move-out then the household may utilize any remaining funds towards their next move.
- **Security Deposit Assistance:** HHA will provide security deposit assistance for participating families that lease a rental unit in an opportunity area. The amount of the security deposit assistance may not exceed the actual security deposit required by the owner or the maximum security deposit allowed under applicable state and/or local law. HHA will provide the security deposit directly to the owner or may provide it to the family as reimbursement once HHA verifies that it has been paid by the family. HHA may only provide one security deposit to a participating family and will not require repayment of the security deposit to HHA.
- **Flexible Financial Assistance:** Flexible financial assistance will be available to cover qualifying moving and transition-related expenses for families, up to a maximum of $600 over the course of their participation in the program. This assistance may include:
    - Rental unit application fees,
    - Administrative fees,
    - Bus or train passes, and/or
    - Up to $200 for moving expenses (movers, moving truck, or other short-term vehicle rental to assist in a move).

  Funds may only be used for purposes related to searching for or renting units, including maintaining residency, in opportunity areas.

5. **Post-Move Services**: Immediately following move-in, the Case Manager will work with the household to ensure they are properly oriented to the community. This may include helping enroll children in new schools, working with households to get oriented to neighborhood amenities (grocery stores, banks, pharmacies), helping get utilities transferred, etc. The Case Manager will then conduct check-ins with the household and property owner at 1-, 3-, 6-, and 9-months post-lease-up. During these check-ins, the Case Manager will help to address any challenges the household may face in their new

neighborhood and will check in with the property owner to ensure they are pleased with their participation in the program (or provide mediation support to address any concerns they may have). HHA will maintain an "open-door" policy where households served can proactively request assistance and receive support from HHA staff to maintain their post-move housing. This may include landlord/tenant mediation or referrals to support services as needed.

HHA will also hold monthly events to encourage economic self-sufficiency (such as financial education, furthering education, training), being a good renter, staying in high opportunity areas and other topics as needed. Families in the mobility program will continue to be referred to other HHA programs (such as FSS) as needed.

Additionally, if funding is available, Mobility Program participants may be eligible to access other landlord leasing incentives available under HHA's Moving to Work (MTW) program or other initiatives. This may include damage mitigation assistance (not exceed the lesser of the cost of the repairs or two months of contract rent minus the participant's security deposit, if applicable) and/or other leasing incentives. See **Landlord Leasing Incentives** Section of this Administrative Plan.

6. **Other Services – Ongoing**:

- **Education and Training:** In addition to the services above, HHA will provide ongoing opportunities for Mobility Program participants to participate in educational workshops and training on topics including but not limited to fair housing, tenant and landlord rights, and financial literacy. These ongoing training and educational opportunities will assist households in maintaining stable housing, promoting economic self-sufficiency, and understanding tenant rights.
- **Housing Retention:** HHA will pursue a variety of strategies to promote long-term housing stability, retention and eviction prevention. These activities may include, but are not limited to:
    - Periodic check-ins with participants and landlords and follow-up to resolve identified issues.
    - In the case of issues of non-payment of rent, encourage owners to enter into repayment agreements and/or leverage other owner incentives for owners, as an alternative to filing for eviction.
    - Identify and work with participants who are at risk of utility shut offs. Assist participants in applying for resources to assist with utilities (i.e. LIHEAP) and/or resolve utility non-payment issues.
    - Assist participants and landlords with damage claims and leverage existing landlord incentive programs (if funds are available) to resolve issues related to damage to the unit.
    - Provide resources and referrals related to housekeeping, mitigation of excess clutter, and other health and safety-related concerns.
- **Coordination with Local Partners:**

- Coordinate with local partners and agencies to identify resources for which participants may qualify, and make referrals as needed.
- Actively participate in local eviction prevention coalitions and other related homelessness prevention advocacy efforts.

26.2.3 Administrative Policies

HHA is committed to implementing administrative policies across its programs to increase access to opportunity areas. In addition to the services detailed above, HHA has implemented the following policies for Mobility Program participants:

- **Ensuring adequate payment standards in opportunity areas:** In 2021, HHA received HUD approval to implement SAFMRs (Small Area Fair Market Rent) citywide. In its 2024 Annual Plan and MTW Supplement, HHA was approved to establish payment standards between 80-150% of SAFMR to expand housing options in higher opportunity areas. These new payment standards are provided through a tiered system that provides higher payment standards for units in high-opportunity areas to promote moves to these areas. The payment standards are broken up by zip code, with the highest opportunity zip codes eligible for payment standards at up to 150% SAFMR, subject to available funding.

  HHA will continue to ensure that adequate payment standards are utilized in opportunity areas in order to increase housing choice in those areas. In addition, HHA may establish a payment standard schedule that is specific to Mobility Program participants and other special purpose voucher programs in order to improve utilization and leasing outcomes for these programs. Payment standards for Mobility Program participants will be established within 80-150% SAFMR range and will be reevaluated on an annual basis. These amounts may differ from traditional HCV program payment standards.

- **Voucher search term:** HHA currently provides an initial voucher search term of 120 days for all voucher participants. Participants may request an extension for up to 30 additional days, and may be granted to Mobility Program participants automatically. Additional extensions beyond 150 days may be considered as a reasonable accommodation or for other extenuating circumstances, as evaluated by HHA.

- **Non-Resident Applicant Portability:** HHA has adopted a policy allowing non-resident applicants participating in the Housing Mobility Services program to exercise portability immediately, rather than requiring them to lease in HHA's jurisdiction for a 12-month period. See **PORTABILITY**.

GLOSSARY OF TERMS AND DEFINITIONS

1. ***Absorption.*** In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

2. ***Accessible.*** The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

3. ***Adjusted income.*** Annual income, less allowable HUD deductions and allowances.

4. ***Administrative fee.*** Fee paid by HUD to the PHA for administration of the program. See §982.152.

5. ***Administrative plan.*** The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

6. ***Admission.*** The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

7. ***Affiliated individual.*** With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

8. ***Amortization payment.*** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

9. ***Annual.*** Happening once a year.

10. ***Annual contributions contract (ACC).*** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

11. ***Annual income.*** All amounts not specifically excluded in 24 CFR 5.609(b), received from all sources by each member of the family who is 18 years of age or older or is the head of household, spouse or cohead, plus unearned income by or on behalf of each dependent who is under 18 years of age.

12. ***Applicant (applicant family).*** A family that has applied for admission to a program but is not yet a participant in the program.

13. ***Area exception rent.*** An amount that exceeds the published FMR. See 24 CFR 982.504(b).

14. ***As-paid states.*** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

15. ***Assets*.** (See *net family assets.*)

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

17. ***Biennial.*** Happening every two years.

18. ***Bifurcate.*** With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

19. ***Budget authority.*** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

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

21. ***Child care expenses*.** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further their education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

22. ***Citizen.*** *A* citizen or national of the United States.

23. ***Cohead.*** An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

24. ***Common space*.** In shared housing, the space available for use by the assisted family and other occupants of the unit.

25. ***Computer match.*** The automated comparison of databases containing records about individuals.

26. ***Confirmatory review.*** An on-site review performed by HUD to verify the management performance of a PHA.

27. ***Consent form*.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

28. ***Congregate housing.*** Housing for elderly persons or persons with disabilities that meets the NSPIRE standards for congregate housing. A special housing type: see 24 CFR 982.606–609.

29. ***Contiguous MSA.*** In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

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

31. ***Contract authority.*** The maximum annual payment by HUD to a PHA for a funding increment.

32. ***Cooperative*** (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

33. ***Covered families*.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

34. ***Dating violence.*** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

    (1) The length of the relationship

    (2) The type of relationship

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

35. ***Day laborer.*** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

36. ***De minimis error.*** An error that results in a difference in the determination of a family's adjusted income of $30 or less per month.

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

38. ***Dependent child.*** In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

39. ***Disability assistance expenses*.** Reasonable expenses that, when combined with health and medical care expenses, exceed 10 percent of annual income and are

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

40. ***Disabled family.*** A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

41. ***Disabled person.*** See *person with disabilities.*

42. ***Disallowance.*** Exclusion from annual income.

43. ***Displaced family.*** A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

44. ***Domestic violence.*** Felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

    (1) The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim

    (2) A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner

    (3) A person with whom the victim shares a child in common

    (4) A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

45. ***Domicile.*** The legal residence of the household head or spouse as determined in accordance with state and local law.

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

47. ***Earned income.*** Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

48. ***Economic abuse.*** Behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitle, including using coercion, fraud, and manipulation to:

    (1) Restrict a person's access to money, assets, credit, or financial information

    (2) Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage

    (3) Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty

49. ***Economic self-sufficiency program*.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

50. ***Elderly family*.** A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

51. ***Elderly person*.** An individual who is at least 62 years of age.

52. ***Eligible family*** A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family.*

53. ***Employer identification number (EIN)*.** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

54. ***Evidence of citizenship or eligible status*.** The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

55. ***Extremely low-income family.*** A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

56. ***Fair Housing Act.*** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

57. ***Fair market rent (FMR).*** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

58. ***Family.*** Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy. Family includes a single person, who may be:

    (1) An elderly person, displaced person, disabled person, near-elderly person, or any other single person;

    (2) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or

    Family also includes a group of persons residing together, and such group includes, but is not limited to:

    (1) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);

    (2) An elderly family;

    (3) A near-elderly family;

    (4) A disabled family;

    (5) A displaced family; and

    (6) The remaining member of a tenant family.

59. ***Family rent to owner.*** In the voucher program, the portion of rent to owner paid by the family.

60. ***Family self-sufficiency program*** (FSS program). The program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the coordination of supportive services to these families (24 CFR 984.103).

61. ***Family share.*** The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

62. ***Family unit size.*** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

63. ***Federal agency.*** A department of the executive branch of the federal government.

64. ***Foster adult.*** A member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating

physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

65. ***Foster child.*** A member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

66. ***Foster child care payment.*** A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

67. ***Full-time student.*** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

68. ***Funding increment.*** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

69. ***Gender identity.*** Actual or perceived gender-related characteristics.

70. ***Gross rent.*** The sum of the rent to owner plus any utility allowance.

71. ***Group home.*** A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

72. ***Handicap.*** Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

73. ***HAP contract.*** The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

74. ***Head of household.*** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

75. ***Health and medical care expenses.*** Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

76. ***Household.*** A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

77. ***Housing assistance payment.*** The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

78. ***Housing agency (HA).*** See *public housing agency.*

79. ***HUD.*** The U.S. Department of Housing and Urban Development.

80. ***Human trafficking.*** A crime involving the exploitation of a person for labor, services, or commercial sex. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

    (1) Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age. See 22 U.S.C. § 7102(11)(A).

    (2) Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. See 22 U.S.C. § 7102(11)(B).

81. ***Imputed welfare income.*** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

82. ***Income for eligibility.*** Annual income.

83. ***Income information*** means information relating to an individual's income, including:

    (1) All employment income information known to current or previous employers or other income sources

    (2) All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law

    (3) Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received

    (4) Unearned IRS income and self-employment, wages, and retirement income

    (5) Wage, social security, and supplemental security income data obtained from the Social Security Administration.

84. ***Independent contractor.*** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

85. ***Individual with handicaps.*** See *person with disabilities.*

86. ***Inflationary index****.* An index based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) used to make annual adjustments to the deduction for elderly disabled families, the cap for imputing returns on assets, the restriction on net family assets, the amount of net assets the PHA may determine based on self-certification by the family, and the dependent deduction.

87. ***Initial PHA*****.** In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

88. ***Initial payment standard.*** The payment standard at the beginning of the HAP contract term.

89. ***Initial rent to owner.*** The rent to owner at the beginning of the HAP contract term.

90. ***Inside.*** Under NSPIRE, the inside of HUD housing (or "inside areas") refers to the common areas and building systems that can be generally found within the building interior and are not inside a unit. Examples of "inside" common areas may include, basements, interior or attached garages, enclosed carports, restrooms, closets, utility rooms, mechanical rooms, community rooms, day care rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, enclosed porches, enclosed patios, enclosed balconies, and trash collection areas. Examples of building systems include those components that provide domestic water such as pipes, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.

91. ***Institution of higher education.*** An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

92. ***Jurisdiction*****.** The area in which the PHA has authority under state and local law to administer the program.

93. ***Landlord*****.** Either the owner of the property or their representative, or the managing agent or their representative, as shall be designated by the owner.

94. ***Lease.*** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

95. ***Life Threatening deficiency.*** Under NSPIRE, the life-threatening category includes deficiencies that, if evident in the home or on the property, present a high risk of death or severe illness or injury to a resident.

96. ***Live-in aide*****.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

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

97. ***Local preference.*** A preference used by the PHA to select among applicant families.

98. ***Low deficiency.*** Under NSPIRE, deficiencies critical to habitability but not presenting a substantive health or safety risk to resident.

99. ***Low-income family.*** A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

100. ***Manufactured home.*** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the NSPIRE standards. (A special housing type: see 24 CFR 982.620 and 982.621.)

101. ***Manufactured home space.*** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

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

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

104. ***Moderate deficiency.*** Under NSPIRE, this includes deficiencies that, if evident in the home or on the property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.

105. ***Monthly adjusted income.*** One twelfth of adjusted income.

106. ***Monthly income.*** One twelfth of annual income.

107. ***Mutual housing.*** Included in the definition of *cooperative.*

108. ***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.

109. ***National Standards for the Physical Inspection of Real Estate.*** HUD's housing inspection approach. NSPIRE is a single inspection standard for all units under the Public Housing, HCV, Multifamily, and Community Planning and Development (CPD) programs. NSPIRE's focus is on the areas that impact residents the most, such as the dwelling unit.

110. ***Near-elderly family.*** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

111. ***Net family assets****.* The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment. In determining net family assets,

PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

See also **Exclusions from Assets**.

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

113. ***Notice of funding availability (NOFA).*** For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

114. ***Office of General Counsel (OGC).*** The General Counsel of HUD.

115. ***Outside.*** Under NSPIRE, outside of HUD housing (or "outside areas") refers to the building site, building exterior components, and any building systems located outside of the building or unit. Examples of "outside" components may include fencing, retaining walls, grounds, lighting, mailboxes, project signs, parking lots, detached garage or carport, driveways, play areas and equipment, refuse disposal, roads, storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.

116. ***Overcrowded.*** A unit that does not have at least one bedroom or living/sleeping room for each two persons.

117. ***Owner.*** Any person or entity with the legal right to lease or sublease a unit to a participant.

118. ***PHA Plan.*** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

119. ***PHA's quality control sample.*** An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

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

121. ***Payment standard.*** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

122. ***Person with disabilities.*** *For the purposes of program eligibility*. A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

123. ***Portability*.** Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

124. ***Premises*.** The building or complex in which the dwelling unit is located, including common areas and grounds.

125. ***Private space*.** In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

126. ***Project owner.*** The person or entity that owns the housing project containing the assisted dwelling unit.

127. ***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.

128. ***Public housing agency (PHA)*.** Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

129. ***Qualified census tract.*** With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

130. ***Real property.*** Real property has the same meaning as that provided under the law of the state in which the property is located.

131. ***Reasonable rent*.** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

132. ***Reasonable accommodation.*** A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

133. ***Receiving PHA*.** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

134. ***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.

135. ***Remaining member of the tenant family*.** The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

136. ***Rent to owner.*** The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

137. ***Residency preference.*** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

138. ***Residency preference area.*** The specified area where families must reside to qualify for a residency preference.

139. ***Responsible entity*.** For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

140. ***Secretary*.** The Secretary of Housing and Urban Development.

141. ***Section 8*.** Section 8 of the United States Housing Act of 1937.

142. ***Section 8 covered programs.*** All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

143. ***Section 214.*** Section 214 of the Housing and Community Development Act of 1980, as amended.

144. ***Section 214 covered programs.*** The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

145. ***Security deposit.*** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

146. ***Seasonal worker.*** An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

147. ***Set-up charges.*** In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

148. ***Severe deficiency.*** Under NSPIRE, the severe category includes deficiencies that, if evident in the home or on the property, present a high risk of permanent disability, or serious injury or illness, to a resident; or the physical security or safety of a resident or their property would be seriously compromised.

149. ***Sexual assault.*** Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

150. ***Sexual orientation.*** Homosexuality, heterosexuality or bisexuality.

151. ***Shared housing.*** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

152. ***Single person.*** A person living alone or intending to live alone.

153. ***Single room occupancy housing (SRO).*** A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

154. ***Small rural public housing agency (PHA).*** Section 38 defines the term "small public housing agency" as a public housing agency "for which the sum of the number of public housing dwelling units administered by the agency and the number of vouchers under section 8(o) administered by the agency is 550 or fewer" and "that predominantly operates in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations." After consideration of the public comments discussed above, HUD is interpreting "predominantly operates in a rural area" to mean a small PHA that:

    (1) Has a primary administrative building with a physical address in a rural area as described in 12 CFR 1026.35(b)(2)(iv)(A); or

    (2) more than 50 percent of its combined public housing units and voucher units under section 8(o) are in rural areas as described in 12 CFR 1026.35(b)(2)(iv)(A). HUD also clarifies that voucher units under section 8(o) include those in the tenant-based Housing Choice Voucher (HCV) program and the Project-Based Voucher (PBV) program.

155. ***Social security number (SSN).*** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

156. ***Special admission.*** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

157. ***Special housing types.*** See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

158. ***Specified welfare benefit reduction.*** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

159. ***Spouse.*** The marriage partner of the head of household.

160. ***Stalking.*** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

161. ***State wage information collection agency (SWICA).*** The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

162. ***Subsidy standards.*** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

163. ***Suspension.*** The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called *tolling.*

164. ***Tax credit rent.*** With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

165. ***Technological abuse.*** An act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

    (1) Internet enabled devices

    (2) Online spaces and platforms

    (3) Computers

    (4) Mobile devices

(5) Cameras and imaging programs

(6) Apps

(7) Location tracking devices

(8) Communication technologies

(9) Any other emergency technologies

166. ***Tenancy addendum.*** For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

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

168. ***Tenant rent to owner.*** See *family rent to owner*.

169. ***Term of lease.*** The amount of time a tenant agrees in writing to live in a dwelling unit.

170. ***Total tenant payment (TTP).*** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

171. ***Unearned income.*** Any annual income, as calculated under 24 CFR 5.609, that is not earned income.

172. ***Unit.*** Under NSPIRE, a unit (or "dwelling unit") of HUD housing refers to the interior components of an individual unit. Examples of components included in the interior of a unit may include the balcony, bathroom, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, enclosed patio, floors, HVAC (where individual units are provided), kitchen, lighting, outlets, smoke detectors, stairs, switches, walls, water heater, and windows.

173. ***Utilities.*** Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

174. ***Utility allowance.*** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

175. ***Utility reimbursement.*** In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

176. ***Utility hook-up charge.*** In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

177. ***Very low-income family.*** A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or

lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

178. ***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.

179. ***Violence Against Women Act (VAWA).*** Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking.

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

181. ***Voucher*** *(housing choice voucher).* A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

182. ***Voucher holder.*** A family holding a voucher with an unexpired term (search time).

183. ***Voucher program.*** The housing choice voucher program.

184. ***Waiting list.*** A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

185. ***Waiting list admission.*** An admission from the PHA waiting list.

186. ***Welfare assistance***. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (24 CFR 984.103), *welfare assistance* includes only cash maintenance payments designed to meet a family's ongoing basic needs. Does not include nonrecurring short term benefits designed to address individual crisis situations, work subsidies, supportive services such as child care and transportation provided to families who are employed, refundable earned income tax credits, contributions to and distributions from Individual Development Accounts under TANF, services such as counseling, case management, peer support, child care information and referral, financial empowerment, transitional services, job retention, job advancement, and other employment-related services that to not provide basic income support, amounts solely directed to meeting housing expenses, amounts for health care, Supplemental Nutrition Assistance Program (SNAP) and emergency rental and utilities assistance, SSI, SSDI, or social security, and child-only or non-needy TANF grants made to or on behalf of a dependent child solely on the basis of the child's need and not the need of the child's current non-parental caretaker.

APPENDIX A: REASONABLE ACCOMMODATION POLICY AND PROCEDURES

A. Policy Statement

1. The Houston Housing Authority (Housing Authority) is dedicated to ensuring that persons with disabilities are not discriminated against on the basis of disability in connection with the Housing Authority's programs, services and activities. If a person with a disability requests an accommodation to an existing rule, policy, practice, or service in order to have an equal opportunity to use a dwelling unit or enjoy the benefits of participating in the Housing Authority's services, the Housing Authority will provide an accommodation. The Housing Authority is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden.
2. A copy of the Housing Authority's Reasonable Accommodation Policy (Policy) shall be available at each public housing development and at the Housing Authority's Main Administrative Office at 2640 Fountain View Drive, Houston, Texas 77057, and online at www.housingforhouston.com.
3. The Housing Authority requests but does not require that the reasonable accommodation request form be completed. A letter may be completed by a knowledgeable third-party in lieu of the Housing Authority's reasonable accommodation form.

B. Legal Authority

1. This Policy is in compliance with the statutory authorities listed below:
    a. Section 504 of the Rehabilitation Act of 1973 (Section 504);
    b. Titles II and III of the Americans with Disabilities Act of 1990 (ADA);
    c. The Fair Housing Act of 1968, as amended (Fair Housing Act);
    d. The Architectural Barriers Act of 1968; and
    e. 24 CFR Part 8 and 100;
    f. Title VI of the Civil Rights Act of 1964; and
    g. The Violence Against Women Reauthorization Act.

C. Monitoring

1. The Legal Compliance Officer is responsible for monitoring compliance with this Policy and shall be available to applicants, residents, participants, and staff for discussing issues and questions regarding the interpretation or implementation of this Policy. The Legal Compliance Officer's contact information is provided below:

Legal Compliance Officer
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057
Phone: (713) 260-0353 TTY: 711

Fax: (713) 260-0808
Email: 504ADA@housingforhouston.com

2. Each housing applicant shall be provided with a copy of either (1) the Notice to Houston Housing Authority Public Housing Applicants and Residents Regarding Reasonable Accommodations or (2) the Notice to Houston Housing Authority Housing Choice Voucher Program Applicants and Participants Regarding Reasonable Accommodations. These notices shall be posted at all times at the public housing developments and at the Housing Authority's Main Administrative Office.

D. Definitions

1. *Individual with a disability* for reasonable accommodation purposes is defined as a person who has a physical and/or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment.
2. *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.
3. A *reasonable accommodation* is defined as a change, modification, alteration or adaptation in a policy, procedure, practice, program, or facility that is necessary for a qualified individual with a disability to have the opportunity to participate in, and benefit from, a program or activity.
4. The definition of disability does not include any individual whose current use of alcohol would constitute a direct threat to property or the health or the safety of others. Additionally, this definition of disability does not include any individual who is engaging in an illegal drug related criminal activity or who is unqualified to participate in the public housing or other housing programs and activities in accordance with applicable Housing Authority policies and HUD regulations. Generally, individuals with a drug addiction that are engaged in and are able to evidence full participation in an appropriate treatment program are qualified to participate in HUD Housing programs.

E. Policy Application

1. This Policy applies to individuals with a disability participating in the following programs provided by the Housing Authority:
   a. Applicants for public housing;
   b. Applicants for the Housing Choice Voucher Program;
   c. Residents of public housing developments;
   d. Participants of the Housing Choice Voucher Program; and
   e. Participants in all other programs or activities receiving federal financial assistance that are conducted or sponsored by the Housing Authority.
2. Because a reasonable modification involves a structural change made to existing premises, the Housing Authority is only able to consider requests for reasonable modifications on properties that it owns or controls. Accordingly, the Housing Authority

requires landlords to comply with disability laws.

F. Procedures

1. A person with a disability may request a reasonable accommodation during the application process, residency in public housing, or participation in the Housing Choice Voucher Program of the Housing Authority.
2. The person with a disability may submit all requests in writing, orally, or by any other equally effective means of communication. If the person with a disability is unable to submit a request in writing, the Housing Authority will assist the individual to reduce the request to written form.
3. The *Request for Reasonable Accommodation* (Request Form) is available at each public housing development, at the Housing Authority's Main Administrative Office, and online at www.housingforhouston.com.
4. Reasonable accommodation requests that are completed by requester and a knowledgeable third party may be submitted to the Legal Compliance Officer (LCO) in any of the following manners:
   a. In person at the Housing Authority's main office at 2640 Fountain View Dr.
   b. Via mail to:

      Legal Compliance Officer
      Houston Housing Authority
      2640 Fountain View Dr.
      Houston, TX 77057

   c. Via email to 504ada@housingforhouston.com; or
   d. Via fax to (713) 260-0808.
5. The Housing Authority will endeavor to enter into an interactive process with the requester in order to discuss the disability-related need for the requested accommodation and possible alternative accommodations, if any. While it is always the requester's choice to enter into an interactive process with the Housing Authority, such a process is intended to help all concerned in the process by seeking to provide an effective accommodation that does not pose an undue financial and administrative burden for the Housing Authority.
6. Decisions to approve or deny requests for reasonable accommodations shall be made on a case-by-case basis with the consideration of the disability and the needs of the person as well as the nature of the program or activity in which the person seeks to participate. Reasonable accommodation methods or actions that may be appropriate for a particular program and person may be found to be inappropriate for another program or individual.

G. Administrative Closure

1. If additional information or documentation is required, the Legal Compliance Officer will notify the requester in writing. If the LCO does not receive the requested information within twenty-one (21) calendar days from the date of the written request for information, the request for a reasonable accommodation will be administratively closed.
2. The administrative closure is not a denial. If the requester submits the requested

information after twenty-one (21) calendar days, the request for a reasonable accommodation will be reopened as of the date that requested information is received.

3. Administrative closures may occur but are not limited to the following reasons:
    a. Failure to supply required information;
    b. Requesting a modification to a property the HHA does not control or own;
    c. Requesting specific location of a unit on a property the HHA does not control or own; and/or
    d. If a request can be met through standard policies and/or regulations.
4. Since an administrative closure is not a denial of accommodation there will be no right to an informal hearing.

H. Decision

1. With receipt of all required supporting documentation, the LCO will issue a written determination on the request for a reasonable accommodation. Upon request, the written notification will be provided in an alternate format.
2. Notifications of approved reasonable accommodation requests will be forwarded to the appropriate staff to implement the accommodation. Notifications of denied reasonable accommodation requests will provide information on the procedures for appealing the determination.
3. If a request for reasonable accommodation is denied but an alternative accommodation is available, the Housing Authority will offer the requester the alternative accommodation and the date by which they must accept or decline.
4. If the requester makes a subsequent request for a different reasonable accommodation, such request will be processed as a new reasonable accommodation request.

I. Verification of Need for a Reasonable Accommodation

1. The Housing Authority may request documentation to verify that the person requesting an accommodation is a person with a disability and such person has a disability-related need for the requested reasonable accommodation. The Housing Authority shall not require unnecessary information regarding the person's disability such as the specific disability or the nature or extent of the disability.
2. Once approved for a reasonable accommodation, persons with a verified need a reasonable accommodation must submit a new Request for Reasonable Accommodation on a biennial basis in order for the accommodation to be re-verified. For example, if a request was approved on June 1, 2023, the client will need to submit a renewal of their accommodation by June 1, 2025.
3. Verification of a person's disability may be submitted by a knowledgeable third party.

J. Guidelines for Denying Reasonable Accommodation Requests

1. Requested accommodations will not be approved if the person's disability is not verified, the individual is not a person with a disability, or the requested accommodation is not

necessary and reasonable based on the health care provider's responses.

2. Additionally, requested accommodations will not be approved if one of the following would occur as a result of the approval:
    a. A violation of state and/or federal law;
    b. A fundamental alteration in the nature of the public housing program;
    c. An undue financial and administrative burden to the Housing Authority;
    d. A structurally impracticable alteration; or
    e. A housing unit alteration requires the removal or alteration of a load-bearing structural member.

K. Public Housing Development Resident Transfers

1. If the Legal Compliance Officer determines that a resident has a verified need for a modified unit, the Housing Authority may offer the resident the opportunity to transfer to an available unit with the required accessibility features.
2. If the resident rejects two (2) offers to transfer to an available unit with the necessary accessibility features, the resident's name will be placed at the bottom of the waiting list for an accessible housing unit with the required number of bedrooms.
3. The Housing Authority is financially responsible for reasonable moving-related expenses incurred by the resident with the disability who needs to transfer to an accessible unit and the resident without a disability who needs to move out of the accessible unit. This obligation is part of the Housing Authority's duty to accommodate its residents with disabilities and provide accessible units with accessible features.

L. Right to Appeal Denial of Request for a Reasonable Accommodation

1. If the request for a reasonable accommodation is denied, the requester may file a written appeal of the determination by the Legal Compliance Officer.
2. The written appeal must be submitted to the Houston Housing Authority within fifteen (15) calendar days from the decision date in order to receive an informal hearing.
3. The Legal Compliance Officer shall attend all informal hearings and advise the requester and the Hearing Officer on the applicable laws, regulations, and policies that were used to render the denial of the request for a reasonable accommodation.
4. Applicants, residents, and participants may at any time exercise their right to appeal a Housing Authority decision through the local HUD office or the United States Department of Justice. The local HUD office's contact information is provided below:

    U.S. Department of Housing and Urban Development
    1301 Fannin Street, Suite 2200
    Houston, Texas 77002
    Phone: (713) 718-3199 TTY: 711
    Fax: (713) 718-3225

APPENDIX B: LANGUAGE ASSISTANCE PLAN AND LIMITED ENGLISH PROFICIENCY (LEP) POLICY

A. Goals of the Language Assistance Plan

The goals of HHA's Language Assistance Plan include:

1. To ensure meaningful access to HHA's public housing and Housing Choice Voucher programs by all eligible individuals regardless of primary language spoken;
2. To ensure that all LEP individuals are made aware that HHA will provide free oral interpretation services to facilitate their contacts with and participation in HHA programs;
3. To provide written translations of vital documents to LEP individuals in accordance with HUD's *safe harbor* guidelines;
4. To ensure that HHA staff are aware of available language assistance services and how these services need to be used when serving LEP individuals;
5. To provide for periodic review and updating of language assistance plans and services in accordance with community needs.

B. LEP Individuals Who Need Language Assistance

Houston is an incredibly diverse community in which numerous LEP households reside. According to 2014 Census data, 46.9% of Houston's almost 2 million residents over the age of 5 speak a language other than English, including over at least thirty-nine (39) languages. The most frequently spoken non-English languages are Spanish, Vietnamese and Chinese.[1]

The census data provides Poverty Status by language. Of those under the poverty level in Houston, 10.9% speak Spanish as seen in Table C16009. For the Houston MSA, 7.3% speak Spanish as highlighted in Table 1.

[1] Census ACS Table B16001: Language Spoken at Home by Ability to Speak English for the Population 5 years and over (2014 1 year estimate – Houston City).

Table 1: Languages spoken by those under the poverty level in Houston and the Metro Area

	Houston city, Texas		Houston-Sugar Land-Baytown, TX Metro Area		
	2014 1-year estimate		2012 1-year estimate		
	Estimate	Percent of Total	Estimate	Percent of Total	
Total:	2,036,207		5,656,109		
Income in the past 12 months below poverty level:	432,645	21.2%	880,549	15.6%	Requires written translation and oral interpretation
Speak only English	171,038	8.4%	405,718	7.2%	
Speak Spanish	221,933	10.9%	412,693	7.3%	
Speak other Indo-European languages	13,023	0.6%	20,302	0.4%	Requires oral interpretation only
Speak Asian and Pacific Island languages	14,333	0.7%	30,058	0.5%	
Speak other languages	12,318	0.6%	11,778	0.2%	

C. Types of Assistance Needed by LEP Persons

The majority of contacts between HHA and LEP persons are meetings, written communications and phone calls where information is exchanged. Examples include interactions by applicants with HHA Housing Specialists and Property Managers during the application process leading up to housing in public housing or the Housing Choice Voucher program (HCV), as well as periodic contacts between residents and HHA Public Housing Operations staff related to management, maintenance and lease compliance issues. Oral interpretation services may be needed for these contacts.

Other contacts involve the exchange and review of printed materials, some of which may be considered *vital documents*. HUD's Final Guidance defines vital documents as: *any document that is critical for ensuring meaningful access to the recipients' major activities and programs by beneficiaries generally and LEP persons specifically*. The list of documents considered vital by HHA includes the following for public housing and HCV as applicable:

1. Language Identification Form;
2. Initial and final application(s) for housing;
3. Appointment notices;
4. Consent forms;
5. Lease including lease addenda;
6. Lease compliance notices including notices to quit;
7. Termination notices;

8. Grievance and Conference hearing notices and procedures;
9. Recertification related forms and notices;
10. Inspection notices and results;
11. Rent simplification notices and schedules;
12. Rent change notices;
13. Transfer policies and procedures;
14. HCV family obligations.

HHA will periodically review and update this list to reflect those documents which are considered vital to applicants and/or residents. With respect to these vital documents, HHA will maintain each in all three threshold languages.

D. Language Assistance to be Provided

In order to promote equal access to HHA programs and services by LEP individuals, HHA will implement the following array of language assistance services. Except where noted, all actions will be implemented by January 1, 2013:

1. Identification of LEP Persons and Notices

Use of *I Speak Cards*: In order to help identify LEP individuals and determine the appropriate language assistance, HHA will post and make available I Speak Cards at its central office waiting room and HHA site based management offices. Applicants, public housing residents and HCV participants can use these cards to indicate their primary language. HHA staff at the point of entry will then make appropriate arrangements for interpretation services, generally using either a bi-lingual staff person or a telephone interpretation service.

Notices of Oral Interpretation Services: HHA will provide free access to either bi-lingual staff or telephone interpretation services for all contacts with LEP individuals. HHA will prominently post multi-lingual notices at its central office and HHA site based management offices and on its website which indicate that free oral interpretation services are available upon request.

Language Preferences of Residents and Applicants: HHA will ask applicants and residents, through the use of its language identification form, to identify their primary language at initial application (for new applicants) and at recertification (for existing residents/participants), and to identify their language preference for receiving written communications. The language identification form will also ask the applicant, resident/participant if translations services are necessary. This information will be included in the paper files and in the electronic record.

2. Language Assistance Measures

a. **Oral Interpretation – Staff:** Where feasible, bi-lingual HHA staff will be deployed to communicate with LEP individuals in their native languages and to assist them in reviewing HHA materials, answering questions about HHA programs, and responding to HHA forms and information requests. Currently, HHA employs staff members who speak Spanish and Vietnamese, which are the non-English languages spoken most

frequently by eligible persons served by HHA.

b. **Oral Interpretation – Telephone Support:** HHA will use the services of a professional telephone interpretation service whenever requested by an LEP individual and/or when an LEP person uses an I Speak card to signify that they speak a non-English language and a qualified staff person that speaks the appropriate language is unavailable. When these contacts involve review of HHA forms and procedures, HHA will schedule the call so that the telephone translator has the opportunity to first review the relevant form or procedure. HHA will only utilize interpretation services, which demonstrate a high degree of training and professionalization among the interpreter staff. HHA currently utilizes a service which provides 24/7 coverage, trained and certified interpreters, and coverage for 170 languages. HHA staff will be trained in how to access this service, which will be available as needed for LEP applicants, public housing residents or HCV participants.

c. **Oral Interpretation – In-Person Assistance:** In limited instances where telephone interpretation services or the use of bi-lingual HHA staff are determined insufficient to ensure meaningful access, HHA will provide qualified in-person interpretation services at no cost to the LEP individual(s) either through local Houston community organizations or through contracts with qualified and trained interpretations services. Examples of contacts where in person assistance is likely to be required includes termination hearings and evictions. Due to the considerable expense involved in providing in-person assistance, HHA will generally strive to use telephone assistance. If the LEP person does not wish to use HHA free interpretation services, the LEP person may provide their own qualified interpreters at their own expense; however, see below regarding use of family and friends as interpreters.

d. **Oral Interpretation – Use of Other Interpreters Not Provided by HHA:** As noted above, LEP individuals will be informed that HHA will provide them with free access to oral interpretation services via bilingual HHA staff or qualified, trained contractors as needed. If the LEP individual requests their own qualified, trained interpreter, this will be allowed at the individual's own expense. Use of family members and friends, especially minor children, as interpreters will generally be discouraged. Exceptions may be made where the contact with the LEP person is of a routine nature, one that does not involve confidential matters, or significant/complex matters impacting the applicant or resident's housing status, rent payments, or lease compliance issues and the LEP person signs a release that indicates alternative services were offered and waived. Staff will be advised to be alert to the potential for any conflict of interest or competency issues that may arise from the involvement of family or friends. If staff has questions about the appropriateness of allowing family and friends as interpreters, they will consult with HHA's LEP Coordinator for guidance.

e. **Written Translation:** HHA will translate vital documents listed above into Spanish

f. **Communication with LEP Telephone Callers:** HHA will continue to provide English and Spanish options for its automated waiting list status line. For callers to HHA's office, recognizable languages including Spanish and Vietnamese will be transferred to bi-lingual HHA staff when available. If needed, HHA will attempt to place a three-party call to the oral interpretation telephone service to determine if the service is able to identify the language spoken and provide an interpreter.

3. **Staff Training and Coordination**

   HHA will provide training on the LEP policy and required assistance actions under the Language Assistance Plan for employees. This will include:

   a. **Mandatory training:** A mandatory training will be scheduled for all employees to review the Language Assistance Plan elements, review new procedures related to the LAP, and to inform staff of their responsibilities relative to LEP persons. On an ongoing basis, periodic refresher training will be provided to staff who regularly interact with HHA clients.

   b. **Legal Compliance Officer:** HHA's Legal Compliance Officer is responsible for ongoing updating of the LEP analysis, addressing staff and public questions and issues related to LEP matters, and providing ongoing LEP training.

4. **Providing Notice to LEP Persons**

   To ensure that LEP persons are aware of the language services available to them, HHA will take the following actions:

   a. **Post LEP notices in HHA's offices and on website:** As described above.

   b. **Incorporate multi-lingual messages into HHA outreach documents:** HHA will utilize standard messages in Spanish and Vietnamese on outreach materials and notices.

   c. Inform resident associations of language assistance services.

5. **Monitoring and Updating the Language Assistance Plan**

   Every year, as part of HHA annual plan process, the LAP will be reviewed and updated, if needed. The review will assess:

   a. Whether there have been any significant changes in the composition or language needs of the LEP population in Houston;

   b. A review to determine if additional vital documents require translation;

   c. A review of any issues or problems related to serving LEP persons which may have emerged during the past year; and,

   d. Identification of any recommended actions to provide more responsive and effective language services.

Since it will be part of the agency's overall annual plan process, the annual LAP review and update process will facilitate public review and comment. HHA will also continue to utilize its annual resident survey to query residents about their LEP needs.

APPENDIX C: VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY

A. Purpose and Applicability

1. The purpose of this policy is to implement the requirements of the Violence Against Women Act (VAWA) with respect to the responsibilities of the Houston Housing Authority (HHA) regarding domestic violence, dating violence, sexual assault, stalking and/or human trafficking. This policy shall be applicable to all of the federally-subsidized housing programs administered by the HHA and shall be part of the Housing Choice Voucher Administrative Plan and the Public Housing Admissions and Continued Occupancy Policy by reference. Protections under this policy are available to all victims regardless of sex, gender identity, or sexual orientation and will be applied consistent with all nondiscrimination and fair housing requirements.

   Note: Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

B. Goals and Objectives

1. The goals and objectives of the HHA's VAWA Policy are as follows:

   a. Maintaining compliance with all applicable legal requirements imposed by VAWA;

   b. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault, stalking and/or human trafficking;

   c. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault, stalking and/or human trafficking;

   d. Creating and maintaining collaborative arrangements between the HHA, law enforcement authorities, victim service providers and others to promote the safety and well-being of victims of actual or threatened domestic violence, dating violence, sexual assault, stalking and/or human trafficking; and

   e. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault, stalking and/or human trafficking affecting individuals assisted by the HHA.

C. Definitions

1. **Affiliated individual**, with respect to an individual, means:

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

b. Any other individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking.

2. **Bifurcate** means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

3. **Dating Violence** is violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim and where the existence of such a relationship is determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

4. **Domestic Violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

   a. The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim;

   b. A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner;

   c. A person with whom the victim shares a child in common; and/or

   d. A person who commits acts against an youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction.

5. **Economic Abuse:** Behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:

   a. Restrict a person's access to money, assets, credit, or financial information;

   b. Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage; and/or

   c. Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty.

6. **Human Trafficking:** A crime involving the exploitation of a person for labor, services, or commercial sex. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

   a. Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person

induced to perform such act has not attained 18 years of age. See 22 U.S.C. § 7102(11)(A).

b. Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. See 22 U.S.C. § 7102(11)(B).

7. **Perpetrator** means a person who commits acts of domestic violence, dating violence, sexual assault, stalking and/or human trafficking against a victim.

8. **Sexual Assault** is any type of sexual contact or behavior that occurs without the explicit consent of the recipient, including when the individual lacks capacity to consent.

9. **Spouse or Intimate Partner** includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

10. **Stalking** engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for the person's individual safety or the safety of others, or suffer substantial emotional distress.

11. **Technological Abuse:** an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, stalking and/or human trafficking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

    a. Internet enabled devices;

    b. Online spaces and platforms;

    c. Computers;

    d. Mobile devices;

    e. Cameras and imaging programs;

    f. Apps;

    g. Location tracking devices;

    h. Communication technologies; and/or

    i. Any other emergency technologies.

12. **VAWA Self Petitioner** refers to noncitizens who claim to be victims of *battery or extreme cruelty*. Battery or extreme cruelty includes domestic violence, dating violence, sexual assault, stalking and/or human trafficking. VAWA allows these noncitizens to self-petition for Lawful Permanent Resident (LPR) status without the cooperation of or knowledge of their abusive relative

D. Notifications Provided

1. All applicants and tenants of all HHA Housing Programs will be provided HUD-5380, *Notification of Occupancy Rights Under the Violence Against Women Act (VAWA)* and HUD-5382, *Certification of Domestic Violence, Dating violence, Sexual Assault, or Stalking and Alternate Documents* at the following times:

    a. At time of denial of assistance or admission;

    b. At time of providing of assistance or admission;

    c. At any eviction or termination; or

    d. At recertification or lease renewal.

2. These forms will be provided in the applicable language, if necessary, in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency).

E. Admissions and Screening

1. **Non-Denial of Assistance**. The HHA will not deny assistance or admission to any person because that person is or has been a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking, provided that such person is otherwise qualified for admission.

2. **Mitigation of Disqualifying Information**.

    a. An applicant for assistance whose history includes incidents in which the applicant was a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking, may request that the HHA take such information into account in mitigation of potentially disqualifying information, such as poor credit history or previous damage to a dwelling.

    b. If requested by an applicant to take such mitigating information into account, the HHA shall be entitled to conduct such inquiries as are reasonably necessary to verify the claimed history of domestic violence, dating violence, sexual assault, stalking and/or human trafficking and its probable relevance to the potentially disqualifying information.

    c. The HHA will not disregard or mitigate potentially disqualifying information if the applicant household includes a perpetrator of a previous incident or incidents of domestic violence, dating violence, sexual assault, stalking and/or human trafficking.

F. Termination of Tenancy or Assistance

1. **VAWA Protections**.

    a. A tenant may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking and/or human trafficking if:

        i. The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant; and

ii. The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, stalking and/or human trafficking.

b. An incident of actual or threatened domestic violence, dating violence, sexual assault, stalking and/or human trafficking shall not be considered as a serious or repeated violation of the lease by the victim or threatened victim or good cause for terminating the assistance, tenancy or occupancy rights of the victim or threatened victim of such incident.

2. **Limitations of VAWA Protections**.

a. Nothing in the above section limits the authority of the HHA to comply with a court order with respect to the rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking, or the distribution or possession of property among members of a household.

b. Nothing in the above section limits any available authority of the HHA to evict or terminate assistance to a tenant for any violation not based on an act of domestic violence, dating violence, sexual assault, stalking and/or human trafficking. However, the HHA will not hold a tenant or an affiliated individual who is or has been a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking to a higher standard.

c. Nothing in the above section limits the authority of the HHA to evict or terminate from assistance any tenant or lawful applicant if:

i. The HHA can demonstrate an actual and imminent threat to other tenants and/or staff if the tenant is not evicted or terminated from the assistance; and

ii. No other actions that could be taken to reduce the threat have been successful, including transferring the victim to a different unit, barring the perpetrator from the property, involving law enforcement, or seeking other legal remedies to prevent the perpetrator from acting on a threat.

G. Verification of Domestic Violence, Dating Violence, Sexual Assault, Stalking and/or Human Trafficking

1. **Requirement for Verification**. Subject only to waiver as provided in paragraph D below, the HHA shall require verification in all cases where an individual requests protection against an action involving domestic violence, dating violence, sexual assault, stalking and/or human trafficking. Verification may be accomplished in one of three ways:

a. Completing HUD-5382, *Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking*;

b. Other documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault, stalking and/or human trafficking, or the side effects of the abuse, described in such

documentation. The professional providing the documentation must sign and attest under penalty of perjury that the incident or incidents in question are bona fide and meet the requirements of the applicable definition set forth in this policy; or

c. A police or court record provided to the HHA by federal, state, tribal, or local police or court record describing the incident or incidents in question.

2. **Time Allowed**. An individual who claims protection against adverse action based on an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking and/or human trafficking, and who is requested by the HHA to provide verification, must provide such verification within 14 business days after receipt of the request for verification. Failure to provide verification, in proper form within such time will result in loss of protection under VAWA and this policy against a proposed adverse action.

3. If the HHA receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, stalking and/or human trafficking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), the HHA has the right to request that the tenant provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. Failure to provide third-party documentation where there is conflicting evidence will result in loss of protection under VAWA and this policy against a proposed adverse action.

4. Waiver of verification requirement. With respect to any specific case, the HHA may waive the above-stated requirements for verification and provide the benefits of this policy based on the victim's statement or other corroborating evidence. Such waiver may be granted at the sole discretion of the President & CEO. Any such waiver must be in writing. Waiver in a particular instance or instances shall not operate as precedent for, or create any right to, waiver in any other case or cases, regardless of similarity in circumstances.

H. Non-Citizen Self-Petitioner Verification

1. Financial assistance to ineligible noncitizens will not be denied while verifying immigration status.

2. Self-petitioners can indicate that they are in *satisfactory immigration status* when applying for assistance or continued assistance. *Satisfactory immigration status* means an immigration status which does not make the individual ineligible for financial assistance. After verifying such immigration status in the Department of Homeland Security (DHS) Systematic Alien Verification for Entitlements (SAVE) System, HHAs will make a final determination as to the self-petitioner's eligibility for assistance.

3. In order to qualify, the noncitizen victim must have been battered or subjected to extreme cruelty by their spouse or parent, who is a U.S. citizen or LPR (Lawful Permanent Resident).

4. Once HHA receives a self-petition (INS Form I-360 or I-130) or INS Form 797, HHA will not request any additional information from the self-petitioner, other than what is required using the SAVE system to complete the verification.

5. When HHA receives a self-petition or INS Form 797 Notice of Action, the HHA will initiate verification in the SAVE System

6. Final determination from the SAVE System. HHA will receive one of the following confirmations:

    a. The VAWA self-petition is verified, in which case the applicant is immediately eligible for housing and no evidence of battery or extreme cruelty shall be requested or collected;

    b. The I-130 is verified, in which case the petitioner submitting a family-based visa petition must provide to the HHA any evidence of "battery or extreme cruelty."

7. Housing assistance and all other VAWA protections will be granted to the self-petitioner throughout the verification process until a final determination of LPR (Lawful Permanent Resident) status is made. If the final determination is to deny the VAWA self-petition or LPR petition, the HHA must alert the petitioner and take actions to terminate voucher assistance or evict the petitioner from public housing in accordance with the existing public housing requirements.

I. Emergency Transfer Plan

1. **Eligibility for Transfer**. In accordance with the Violence Against Women Act (VAWA) the HHA allows tenants who are victims of domestic violence, dating violence, sexual assault, stalking and/or human trafficking to request an emergency transfer from the tenant's current unit to another unit, regardless of sex, gender identity, or sexual orientation. The ability of the HHA to honor such request for tenants currently receiving assistance may depend upon the following:

    a. A preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking, and

    b. Whether the HHA has another dwelling unit available that is safe to offer the tenant for temporary or permanent occupancy.

2. **Requesting a transfer**.

    a. To request an emergency transfer the tenant shall notify the HHA office and submit a written request for a transfer (HUD-5383). The tenant may submit the written request by any of the following methods: hand delivery to the HHA's office at 2640 Fountain View Drive, via email to **VAWA@housingforhouston.com**, via fax to (713) 260-0376, or via mail: 2640 Fountain View Drive, Attention: Legal Compliance Officer, Houston, TX 77057. The HHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

        i. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the HHA's program; or

        ii. A statement that the tenant was a victim of sexual assault and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

    b. The HHA cannot guarantee that a transfer request will be approved or how long it will take to process the request. However, the HHA will act as quickly as possible to move

a tenant who is a victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking to another unit, subject to availability and safety of a unit.

3. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit.

4. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The HHA may be unable to transfer a tenant to a particular unit if the tenant cannot establish eligibility for that unit.

5. In cases where the HHA determines that the family's decision to move out of the HHA housing was reasonable under the circumstances, the HHA may wholly or partially waive rent and any rent owed shall be reduced by the amounts of rent collected for the remaining lease term from a tenant subsequently occupying the unit.

6. **Portability**. A Housing Choice Voucher (HCV) participant will not be denied portability to a unit located in another jurisdiction so long as the participant has complied with all other requirements of the HCV Program and,

    a. has moved from the unit in order to protect the health or safety of an individual member of the household who is or has been the victim of domestic violence, dating violence, sexual assault, stalking and/or human trafficking and,

    b. who reasonably believes that the tenant or other household member will be imminently threatened by harm from further violence if the individual remains in the present dwelling unit.

7. If the HHA has no safe and available units for which a tenant who needs an emergency is eligible, the HHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move.

8. At the tenant's request, the HHA will assist tenants in contacting local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, stalking and/or human trafficking that are attached to this plan.

9. **Safety and Security of Tenants**.

    a. **Confidentiality**. The HHA will keep confidential any information that the tenant submits with a request for an emergency transfer, unless:

        i. The tenant gives the HHA written permission to release the information on a time limited basis or,

        ii. Disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program.

    This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, stalking and/or human trafficking against the tenant. Please see the *Notice of Occupancy Rights under the Violence Against Women Act* for more information about HHA's responsibility to maintain the confidentiality of

information related to incidents of domestic violence, dating violence, sexual assault, stalking and/or human trafficking.

b. Throughout the request and transfer (if approved) process, the tenant is urged to take all reasonable precautions to be safe.

c. Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter for assistance in creating a safety plan. For persons with hearing impairment, please dial 1-800-787-3224 (TTY).

d. Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's Sexual Assault Hotline at 800-656-HOPE (4673), or visit the online hotline at **https://ohl.rainn.org/online/**.

e. Tenants may find additional resources at HUD's Help for Survivors page at **https://www.hud.gov/vawa#helpforsurvivors**.

J. Other Remedies

1. Lease Bifurcation

a. The HHA may bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance or occupancy rights to such member who engages in criminal activity directly related to domestic violence, dating violence, sexual assault, stalking and/or human trafficking. In such a case, it does not matter that the perpetrator was a signatory to the lease and the victim is allowed to stay in the unit or on the program.

b. In removing the perpetrator from the household, the HHA will follow all federal, state and local eviction procedures.

c. If the evicted person was the eligible program participant in the household, the remaining tenants will be given 90 days from the date of bifurcation of the lease to:

i. Establish eligibility for the current program;

ii. Establish eligibility under another program; or

iii. Find alternative housing.

2. Efforts to Promote Housing Stability

a. The HHA will make every effort that is feasible and permissible for victims to remain in their units or other units of the HHA and/or retain assistance. The HHA will bear the cost of any transfer, where permissible.

3. Relationships with Service Providers

a. It is the policy of the HHA to cooperate with organizations and entities, both private and governmental, that provide shelter and/or services to victims of domestic violence. If the HHA becomes aware that an individual assisted by the HHA is a victim of

domestic violence, dating violence, sexual assault, stalking and/or human trafficking, the HHA will refer the victim to such providers of shelter or services as appropriate. Notwithstanding the foregoing, this Policy does not create any legal obligation requiring the HHA either to maintain a relationship with any particular provider of shelter or services to victims of domestic violence or to make a referral in any particular case. The HHA's annual Public Housing Agency Plan shall describe providers of shelter or services to victims of domestic violence with which the HHA has referral or other cooperative relationships.

K. Local Domestic Violence Services and Resources In Houston

1. Below is a non-exhaustive list of local domestic violence-related services and resources in the Houston/Harris County, Texas area. This section may be amended and revised periodically, as needed, without the need for approval from the HHA Board of Commissioners so that changes or updates to contact information may be promptly made whenever discovered.

   a. **Houston Area Women's Center**

      Domestic Violence Hotline: 713-528-2121

      Toll Free Line: 800-256-0551

      Rape Crisis Hotline: 713-528-7273

      Toll Free Line: 1-800-256-0661

      Office: 713-528-6798

      TTY: 713-528-3625

   b. **Non-Residential Programs for Victims of Abuse**

      Legal Assistance – HPD/Family Violence Unit

      Phone: 713-308-1100

      Provides services for all domestic violence incidents that take place within the city limits. Will file charges and take statements in cases of domestic violence and provides short-term crisis counseling and referral. Women should be prepared to spend a minimum of 2-3 hours at unit. Witnesses can make statements in person or they can write a statement and have it notarized for the survivor to take with them.

   c. **Harris County Constable's Office**

      Phone: 281-376-3472

      Provides services for all domestic violence incidents that take place within the Constable's jurisdiction. Victim's assistance office will investigate all complaints of domestic violence and assist survivors with filing charges.

   d. **Harris County Sheriff's Family Violence Unit**

Phone: 713-967-5743

Provides services for all domestic violence incidents that take place within the Sheriff's jurisdiction. Victim's assistance office will investigate all complaints of domestic violence and assist survivors with filing charges.

e. **Aid to Victims of Domestic Abuse**

Phone: 713-224-9911

f. **Harris County DA's Office – Family Criminal Law Division**

Phone: 713-755-5888

Prosecutes all forms of domestic violence and Title 6 Family Crimes (i.e., bigamy, criminal nonsupport, interference with child custody, etc.), files applications for Protective Orders, and provides crisis intervention counseling for victims of domestic violence.

g. **YMCA International Services**

Phone: 713-339-9015

Assists battered immigrant women who are interested in applying for residency. Provides services for victims of human trafficking.

APPENDIX D: MTW TIERED RENT TABLE

Tier #	Income Tier Based on Gross Household Income	Total Tenant Payment (TTP)
1.	$0 to $1,999	$50
2.	$2,000 to $3,999	$50
3.	$4,000 to $5,999	$93
4.	$6,000 to $7,999	$140
5.	$8,000 to $9,999	$187
6.	$10,000 to $11,999	$233
7.	$12,000 to $13,999	$280
8.	$14,000 to $15,999	$327
9.	$16,000 to $17,999	$373
10.	$18,000 to $19,999	$420
11.	$20,000 to $21,999	$467
12.	$22,000 to $23,999	$513
13.	$24,000 to $25,999	$560
14.	$26,000 to $27,999	$607
15.	$28,000 to $29,999	$653
16.	$30,000 to $31,999	$700
17.	$32,000 to $33,999	$747
18.	$34,000 to $35,999	$793
19.	$36,000 to $37,999	$840
20.	$38,000 to $39,999	$887
21.	$40,000 to $41,999	$933
22.	$42,000 to $43,999	$980
23.	$44,000 to $45,999	$1,027
24.	$46,000 to $47,999	$1,073
25.	$48,000 to $49,999	$1,120
26.	$50,000 to $51,999	$1,167
27.	$52,000 to $53,999	$1,213
28.	$54,000 to $55,999	$1,260
29.	$56,000 to $57,999	$1,307
30.	$58,000 to $59,999	$1,353
31.	$60,000 to $61,999	$1,400
32.	$62,000 to $63,999	$1,447
33.	$64,000 to $65,999	$1,493
34.	$66,000 to $67,999	$1,540
35.	$68,000 to $69,999	$1,587
36.	$70,000 to $71,999	$1,633
37.	$72,000 to $73,999	$1,680

Tier #	Income Tier Based on Gross Household Income	Total Tenant Payment (TTP)
38.	$74,000 to $75,999	$1,727
39.	$76,000 to $77,999	$1,773
40.	$78,000 to $79,999	$1,820
41.	$80,000 to $81,999	$1,867
42.	$82,000 to $83,999	$1,913
43.	$84,000 to $85,999	$1,960
44.	$86,000 to $87,999	$2,007
45.	$88,000 to $89,999	$2,053
46.	$90,000 to $91,999	$2,100
47.	$92,000 to $93,999	$2,147
48.	$94,000 to $95,999	$2,193
49.	$96,000 to $97,999	$2,240
50.	$98,000 to $99,999	$2,287
51.	$100,000 to $101,999	$2,333
52.	$102,000 to $103,999	$2,380
53.	$104,000 to $105,999	$2,427
54.	$106,000 to $107,999	$2,473
55.	$108,000 to $109,999	$2,520
56.	$110,000 to $111,999	$2,567
57.	$112,000 to $113,999	$2,613
58.	$114,000 to $115,999	$2,660

APPENDIX E: RAD CONVERSIONS

The following table lists HHA Public Housing Projects that have converted to PBV Assistance via the Rental Assistance Demonstration (RAD) Program.

Generally, public housing projects converting assistance under RAD will be bound by the terms of the Notice in effect at the time of closing. Therefore, the terms of the Notice in effect at closing will apply to all projects currently seeking conversion of assistance, even if a CHAP has already been issued.

Project	CHAP Issue Date	Closing Date	RAD Notice
Historic Rental Initiatives/Victory Apartments	7-10-2020	7-10-2020	PIH Notice 2019-23 Revision 4
Allen Parkway Village	6-20-2018	8-2-2022	PIH Notice 2019-23 Revision 4
Historic Oaks of Allen Parkway Village	6-20-2018	8-2-2022	PIH Notice 2019-23 Revision 4
Sweetwater	3-04-2020	8-31-2022	PIH Notice 2019-23 Revision 4