

Hertford Management & Tenant Selection Plan

**Hertford Housing Authority
Kingview, Riverview, Stokes**



Owned and Managed By:
Hertford Housing Authority
104 White Street
Hertford, NC 27944
Updated May 5, 2015

TABLE OF CONTENTS

| | | |
|--------|--|----|
| I. | Duties of the Owner/Agent | 3 |
| II. | Personnel Policy and Staffing | 3 |
| III. | Marketing Procedures For Full Occupancy | 4 |
| IV. | Tenant Selection and Occupancy Policies | 5 |
| V. | Income/Assets, Eligibility and Assistance | 18 |
| VI. | Procedures for Requesting And Implementing Changes | 23 |
| VII. | Verification | 23 |
| VIII. | Minimum Rent | 33 |
| IX. | Maintenance and Repair Programs | 33 |
| X. | Rent Collection Policies and Fiscal Procedures | 34 |
| XI. | Tenant/Management Relations | 36 |
| XII. | Amount of Fidelity Bond Required | 36 |
| XIII. | Policy to Reduce Program Abuse by Tenants | 36 |
| XIV. | Management Agreement Contract | 37 |
| XV. | Violence Against Woman | 37 |
| XVI. | Energy Conservation Measures and Practices | 39 |
| XVII. | Pet Policy | 40 |
| XVIII. | Grievance Procedure | 50 |
| XIX. | Additional RAD Provisions | |

Exhibits:

- A. Resident Inspection (Move-in/Move-out)
- B. Resident Rights and Responsibilities
- C. EIV and You Brochure
- D. Fraud Prevention Policy

HOUSING MANAGEMENT PLAN

The primary responsibility of the Hertford Housing Authority as a owner and management agent of Kingview/Riverview/Stokes Apartments, consisting of 85 units, located at Wynne Fork Court, White St, Church St, Stokes Dr, and King St, is to assure the property is operated within the policies set forth in this Management Plan. The purpose of this plan is to delineate the responsibilities or the Owner/Agent for implementing a complete spectrum of management practices designed to provide well maintained and efficiently operated housing on a continued basis to qualified residents. This management plan updates and emends all original and amendments prior to May 2015.

I. Duties of the Owner and Owner/Agent

The Owner/Owner/Agent has the authority to conduct all day-to-day operations of the housing project within the policy parameters established in this management plan to provide decent, safe, sanitary housing and to meet the needs of the population to be served. Specifically, the allocation of functions shall be as follows:

1. Review monthly status reports along with periodic budgets and financial statements submitted by the Owner/Agent to assure that the project is being administered as per the policies contained herein and in accordance with all applicable regulatory Agency requirements, including HUD. The service of a fee accountant will be utilized.
2. Collect rents; make mortgage payments; pay operating expenses; and maintain such ledgers and bank accounts as shall be required for fiscal responsibility.
3. Have authority to make purchases and enter into contracts with a cost of Ten-Thousand Dollars (\$10,000.00) or less; and act upon all orders or requirements affecting the premises as placed thereon by Federal, State, and/or Municipal authorities. Contracts in excess of \$10,000 will require board approval.
4. Recruit prospective tenants, certify eligibility, and select tenants based on applicable government regulations. Tenant selection shall be carried out in an efficient manner designed to achieve and maintain full occupancy and economic feasibility.
5. Conduct all routine building and grounds maintenance to insure that the project is kept in excellent condition conducive to safe and pleasant living conditions; however, all said maintenance shall be considered an expense of the project over and above the Owner/Agent's management fee.
6. Notify Sponsor of personal injury or property damage within the project and take necessary steps to inform insurance carrier of said claim.
7. Send a representative of the Owner/Agent to the regular meetings of the Sponsor's Board of Directors, and shall at that time deliver reports of project occupancy and financial status to the Sponsor.

II. PERSONNEL POLICY AND STAFFING

- A. Owner/Owner/Agent is an equal opportunity provider and. All hiring will be in conformance with federal, state, and local laws pertaining to equal opportunity. Hiring will be done on the

basis of capabilities and potential; never on race, sex, color, age, religion, national origin, disability, sexual orientation, or familial status. An approved Affirmative Action Plan on file with the United States Department of Housing and Urban Development. It is the Owner/Agent's policy to promote from within whenever feasible; therefore, all employees receive on-the-job training for position(s) vertically adjacent to theirs in the Owner/Agents career hierarchy.

- B. All project staff, will be employees of the Owner/Agent, and subject to the employee benefits and personnel policies. Fringe benefits include employee membership in the group health insurance plan, and the approved retirement pension plan.
- C. Owner/Agent will provide as needed the services of occupancy staffing, a cashier, and maintenance personnel, along with other appropriate clerical, bookkeeping, and administrative staff support. Specific staffing patterns will be reviewed and adjusted as needed based on current and anticipated workloads.
- D. All employees are responsible through their immediate supervisors to the Owner/Agent's Executive Director, who is in turn accountable to the Board of Directors for project management as detailed herein.
- E. Whenever feasible, Owner/Agent will employ part-time employees from among project residents. Such part-time employees shall be an expense of the project, and shall be under the direction of the Owner/Agent.

III. MARKETING PROCEDURES FOR FULL OCCUPANCY

Owner/Agent will maintain a public information program geared toward the maintenance of full occupancy.

1. Marketing – The development will be advertised in compliance with the Affirmatively Furthering Fair Housing Marketing Plan, by the signs at the site, newsletters, newspaper ads, local community groups, and other appropriate advertising mediums. Advertising will be conducted annually.
2. Owner/Agent shall administer the program in such a manner to fulfill HUD's EEOC and HUD requirements for the specific program. Such requirements include, but is not limited to:
 - 24 CFR, part 1 Title VI of the Civil Rights Act of 1964;
 - 24 CFR, part 8 Section 504 of the Rehabilitation Act of 1973; 24
 - CFR, part 100 et seq Fair Housing Act;
 - 24 CFR, part 146 Age Discrimination Act of 1975;
 - 24 CFR 200.600 Affirmative Fair Marketing Regulations;
 - 24 CFR 880.612a, 881.601, 883.701, 884.223a, 886.329a (Allows preference for occupancy by elderly families in certain Section 8 developments);

- 42 U.S.C. 13641 Title VI, Subtitle D of Housing and Community Development Act of 1992 (Sets forth criteria under which certain HUD-subsidized multifamily properties can choose to serve elderly only, or set-aside a portion of the property for elderly only); Uniform Federal Accessibility Standards (UFAS), effective July 11, 1988.

IV. TENANT SELECTION AND OCCUPANCY POLICIES

Application Process

1. Owner/Agent will require applications along with appropriate documentation to verify eligibility criteria.
2. Owner/Agent will accept applications from prospective tenants at Owner/Agent's 104 White Street, Hertford, NC, 27944 on Wednesdays or by appointment only.
3. Owner/Agent's occupancy staff will assemble, review, and evaluate application materials in accordance with this policy and applicable regulatory agency requirements. The further evaluation of eligible tenants will include a credit check, criminal background check, and references from current, previous landlords, sex offender registry, and verification through HUD's (EIV) Enterprise Income Verification.
 - a. Police record must be acceptable for everyone who is on the lease. The applicant must have no history or felony patterns or misdemeanor crimes within the past 5 years.
 - b. The applicant cannot have a history of drug related crimes within the last 5 years.
 - c. The applicant cannot have history of violent crimes related to persons or property within the last 7 years.
 - d. Applicants must not have been evicted from the Hertford Housing Authority in within the past 5 years.
 - e. Applicants must have satisfied any previous debts owned to the Hertford Housing Authority or any other federally subsidized housing program, other landlords, or utility companies.
4. Initial consideration of each eligible applicant will be based upon the time and date of his/her application, subject to any regulatory agency required priorities. Owner/Agent shall assign eligible applicants with consideration to maintaining the project as socially and financially stable and feasible.
5. Owner/Agent will retain on file a detailed waiting list. Owner/Agent will use this list to promptly fill any units that are vacated, and thus avoid undue loss of rental income. Owner/Agent's occupancy staff shall periodically update application information on those eligible on the waiting list. The waiting list will include:
 - a. Date of application
 - b. Name of applicant, address and phone number if applicable

- c. Household size
- d. Statistical information, disability, senior citizen, race, and local preferences.
- e. Lease date
- f. Unit # leased
- g. Persons removed from the waiting list: reason and date
- h. Date approval or rejection letter was sent
- i. Estimated household income

*Basic information for items a-i will be ascertained before applicants will be eligible to be placed on the waiting list. The waiting list will be reviewed periodically. Tenants will be contacted and responses recorded

- 6. Owner/Agent will recertify tenant income on a regular basis in accordance with policies and procedures mandated by the regulatory agency.

Orientation and Leasing Process

Owner/Agent's occupancy staff will conduct an orientation session with each tenant prior to move in.

- 1. During a pre-occupancy conference, Owner/Agent will thoroughly explain all lease provisions to the prospective tenant. The tenant will then be provided with a signed copy of the executed lease.
- 2. Owner/Agent shall execute HUD Form 92006 Supplement to Application for Federally Assisted Housing.
- 3. Owner/Agent's representative and tenant will jointly conduct an inspection of the unit prior to move in; a checklist on the condition of the unit will be completed and signed by both parties.
- 4. Each resident will receive copies of disclosures, all policies, and amendments that pertain to the lease and move-in consultation.

Non-discrimination

There shall no discrimination in the selection of tenants either in application for admission or in continued occupancy because of race, color, creed, national origin, religious or political affiliation, ancestry, sex, familial status, handicap, disability, or guide or support animal dependency.

- 1. Owner/Agent will monitor tenant selection to assure that the project houses a percentage of minority elderly, handicapped, and disabled persons that reflects the population mix of Perquimans County.
- 2. Owner/Agent will take such steps in advertising and community contact as may be required to encourage affirmatively the applications and occupancy of minority, handicapped and

disabled tenants.

In keeping with Section 504 of the Rehabilitation Act of 1973, as amended under 24 CFR Part 8, the following policies regarding Wayne Fork Drive facilities for the handicapped and physically disabled shall be observed:

1. When a handicap accessible unit becomes available to rent:
 - a. The unit will first be offered to a current occupant residing in a non-accessible unit, requesting a accessible unit;
 - b. The unit will next be offered to an eligible handicapped or physically disabled applicant whose handicap requires the accessibility features of the vacant unit. Eligible handicapped or physically disabled applicants who require a dwelling with said special features will be housed before local preference holders who do not require such a special design feature dwelling.
2. In the event that there are no available eligible applicants who require a housing unit which has been designed and constructed with special features for handicapped and physically disabled persons when such unit becomes available for rental,
 - a. Said unit will next be offered to a local preference holder on the waiting list "who needs a unit of the size available;
 - b. If no local preference holders are available, said unit will then be offered to an eligible non-preference holder on the waiting list who needs a unit of the size available.
 - c. Any time a unit with special design features for handicapped and disabled persons is leased to a tenant household not requiring such special features, said tenant will be required at time of lease-up to sign a statement agreeing to transfer to another available Palmyra Interfaith Manor unit if and when an eligible handicapped or physically disabled applicant is found who does need the special features of the accessible unit.

Citizenship Requirements

In accordance with Section 214 of the Housing and Community Development Act of 1980, as amended, Owner/Agent shall verify the U.S. citizenship status of all housing participants and applicants via the use of a "Declaration of Section 214 Status" form. The receipt of financial housing assistance is contingent upon tenants and applicants submitting evidence either of citizenship or eligible immigration status.

For individuals who are non-citizens but claim eligible immigrations status in accordance with the United States Immigration and Naturalization Service (INS), each household member will be required to provide the original of INS documents substantiating eligible immigration status and to grant written authorization on a Verification Consent Form for OWNER/Owner/Agent to verify eligibility and determine the level of benefits under applicable HUD regulations. For individuals who were participants on June 19, 1995, are non-citizens claiming eligible immigration status, and who are, 62 years of age or older, only evidence of proof of age must be submitted to verify eligible immigration status.

If one or more members of a family are determined not to be eligible citizens and/or elect not to contend that he or she has eligible immigration status, and the other members of the family establish their citizenship or eligible immigration status, the family may be considered for assistance despite the fact that no declaration or documentation of eligible immigration status is submitted by one or more members of the family. However, housing assistance shall be appropriately prorated in accordance with HUD regulations.

1. Temporary Deferral of Termination of Assistance: A mixed family may receive temporary deferral of termination of assistance under the following conditions.
 - a. The family must have been receiving assistance under a Section 214 covered program on June 19, 1995.
 - b. Eligibility for This Type of Assistance: If a mixed family qualifies for prorated assistance (and does not qualify for continued assistance) but decides not to accept prorated assistance, or if a family has no members with eligible immigration status, the family may be eligible for temporary deferral of termination of assistance if necessary to permit the family additional time for the orderly transition of those family members with ineligible immigration status, and if any other family members involved, to find other affordable housing. Other affordable housing is used in the context of transition of an ineligible family from a rent level that reflects HUD assistance to a rent level that is unassisted; the term refers to housing that is not substandard, that is of appropriate size for the family, and that can be rented for an amount not exceeding the amount that the family pays for rent, including utilities, plus 25 percent.
 - c. Time Limit on Deferral Period: If temporary deferral of termination of assistance is granted, the deferral period shall be for an initial period not to exceed six months, but the aggregate deferral period shall not exceed a period of three years.
 - d. Notification Requirements for Beginning of Each Deferral Period: At the beginning of each deferral period, the Housing Authority must inform the family of its ineligibility for financial assistance and offer the family information concerning, and referrals to assist in finding, other affordable housing.
2. Appeal Process: Three forms of appeal process are available to residents and applicants who feel that their citizenship or eligible immigration status has been incorrectly determined. When Owner/Agent receives notification that INS secondary notification has failed to confirm eligible immigration status, Owner/Agent shall notify the family of the results of the INS verification. The family shall have thirty- (30) days from the date of Owner/Agent's notification to do one of the following:
 - a. Request an appeal of the INS results: The request for appeal shall be made by the families communicating that request in writing directly to the INS. The family must provide Owner/Agent with a copy of the written request for appeal and proof of the mailing. For good cause

shown, OWNER/Owner/Agent shall grant the family an extension of the time within which to request an appeal. When OWNER/Owner/Agent receives a copy of the INS response, if such response denies eligible immigration status, OWNER/Owner/Agent shall notify the family of its right to request an informal hearing on OWNER/Owner/Agent's ineligibility determination. No delay, denial, or termination of assistance may be undertaken until completion of the INS appeal process.

- b. Informal hearing with OWNER/Owner/Agent: After receiving notification of the INS decision on appeal, or in lieu of requesting an appeal to the INS, the family may request that OWNER/Owner/Agent provide an informal hearing. This request must be made either within fourteen (14) days of the date Owner/Agent mails or delivers the notice of denial or termination of assistance, or within fourteen (14) days of the mailing of the INS appeal decision, as established by the date of the post-mark. Owner/Agent may extend the period of time for requesting a hearing for a specific period upon good cause shown. For present program participants, the procedures for the informal hearing are as set forth in 24CFR Part 966. For applicants, the procedures for the informal hearing before Owner/Agent are as follows:
 - i. The hearing shall be held before an impartial individual. The applicant shall be provided a hearing before any person or persons designated by the Owner/Agent (including an officer or employee of the Owner/Agent) other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. The applicant shall be provided the opportunity to examine and copy, at the applicant's expense and at a reasonable time in advance of the hearing, any documents in the possession of Owner/Agent pertaining to the applicant's eligibility status or in the possession of the INS, as permitted by INS requirements, including any records and regulations that may be relevant to the hearing.
 - ii. The applicant shall be provided the opportunity to present evidence and arguments in support of eligible immigration status. Evidence of may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. The applicant shall be provided the opportunity to controvert evidence relied upon by Owner/Agent and to confront and cross-examine all witnesses on whose testimony or information Owner/Agent relies. The applicant shall be entitled to be represented by an attorney or other designee at the applicant's expense and have such person make statements on the applicant's behalf. The applicant shall be entitled to arrange for all interpreter to attend the hearing, at the expense of the applicant or Owner/Agent, as may be agreed upon by both parties. The applicant shall be entitled to have the hearing recorded by audio-tape; a transcript of the hearing may, but is not required to be provided by Owner/Agent.

Owner/Agent shall provide the family with a written final decision, based solely on the facts presented at the hearing, within fourteen (14) days of the date of the informal hearing. The decision shall state the basis for the decision.

- c. Judicial Relief: A decision against the family member under the INS appeal processor the Owner/Agent informal hearing does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Mandatory Social Security Numbers

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

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

The Owner/Agent must request the applicant or participant (including each member of the household), who are not exempt under SSN disclosure, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:

1. An original SSA-issued document, which contains the name and SSN of the individual; or
2. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

SSN Disclosure

In accordance with 24 CFR 5.216, applicants and participants (including each member of the household) are required to disclose his/her assigned SSN, with the exception of the following individuals.

1. Those who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). In most circumstances, these individuals would not be eligible for a SSN.
 - a. A family that consists of a single household member (including a pregnant individual) who does not have eligible immigration status is not eligible for housing assistance and cannot be housed.
 - b. A family that consists of two or more household members **and at least one** household member that has eligible immigration status, is classified as a mixed family, and **is eligible** for a prorated assistance in accordance with 24 CFR 5.520. The Owner/Agent may not deny assistance to mixed families due to nondisclosure of a SSN by an individual who does not contend to have eligible immigration status.
2. Existing program participants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid.

3. Existing program participants as of January 31, 2010, who are 62 years of age or older, and had not previously disclosed a valid SSN. This exemption continues even if the individual moves to a new household.

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC 552a, as amended). In accordance with 24 CFR 5.212, the collection, maintenance, use, and dissemination of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local laws.

There is no provision under HUD regulations, which prohibit an individual (head of household or other eligible household members) with ineligible immigration status from executing a lease or other legally binding contract. However, some state laws prohibit an individual with ineligible from executing a contract (i.e. lease or other legally binding documents).

Penalties for failure to disclose and/or provide documentation of a SSN

In accordance with 24 CFR 5.218, the following penalties apply for noncompliance with the SSN disclosure and documentation requirements:

1. Applicants. Eligibility will be denied if a applicant (including each member of the household required to disclose a SSN) does not disclose a SSN and/or provide documentation of such SSN. However, if the family is otherwise eligible to participate in the program, the family may maintain their position on the waiting list for a period of time determined by the Owner/Agent. The Owner/Agent should prescribe in their policies, the maximum time the family may remain on the waiting list. If all household members have not disclosed their SSN at the time a unit becomes available, the Owner/Agent must offer the available unit to the next eligible applicant family on the waiting list.
2. Participants. The Owner/Agent must terminate the assistance of the program participants (the entire household) and terminate the tenancy of the entire household if s/he (including each member of the household required to disclose his/her SSN) does not disclose his/her SSN and provide the required documentation.

However, if the family is otherwise eligible for continued assistance or tenancy in the program, the Owner/Agent, at its discretion, may defer the family's termination and provide the family an opportunity to comply with the requirement within a period **not to exceed** 90 calendar days from the date the Agent determined the family noncompliant with the SSN disclosure and documentation requirement, if the Agent determines:

- a. The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside the control of the family; and
- b. There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation of the SSN by the deadline.

If the family is unable to comply with the requirements by the specified deadline, the Owner/Agent must terminate the tenancy or assistance, or both of the entire family.

Income Limits for Eligibility

1. To be eligible for assistance, an applicant must have an Annual Income at the time of admission that does not exceed the low-income limits for occupancy established by HUD. To be income eligible the applicant must be a family in the low income category, which is a family whose income does not exceed 80 percent of the area median income. The Owner/Agent will not admit families whose income exceeds 80 percent of the area median income.
2. To determine if the family is income-eligible, the Owner/Agent compares the Annual Income of the family to the applicable income limit for the family's size. Families whose Annual Income exceeds the income limit will be denied admission and offered an informal review. Income limits do not apply to families transferring within the program.

Income Targeting

1. In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year the Owner/Agent will make available 40% of its new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as extremely low-income families.
2. Compliance with the income targeting requires the Owner/Agent to count both move-ins and initial certifications.
3. The Owner/Agent shall use the standard waiting list order for determining the order of admission, unless it is determined that the order of move-ins from that list will not produce the required 40% admission of ELI Families.
4. If it appears that the requirement to house extremely low-income families will not be met, the Owner/Agent will alternate between the first extremely low income applicant on the waiting list and the applicant at the top of the waiting list until such time as the 40% ELI targeting requirement is fulfilled. To implement this method, the Owner/Agent will be "skipping over" higher income families on the waiting list to reach extremely low-income families and serve them first.
5. If there are not enough extremely low-income families on the waiting list, the Owner/Agent will also take steps necessary to attract extremely low-income families to reach the statutory admissions requirement.

Other Eligibility Requirements

To be eligible for assistance and applicant must meet all eligibility factors as currently required by Federal Law and HUD regulations. Such eligibility requirements include, but are not limited to the following:

1. Student Eligibility Rule: To be eligible for assistance, an applicant who is a student, who is under 24 years of age, who is not a U.S. veteran, who is unmarried and who does not have a dependent child; who is not disabled, then both the applicant and the applicant's parents

must meet applicable income limits (in accordance with HUD regulations).

2. Definition of Family:

- a. Family includes, but is not limited to, the following, **regardless of actual or perceived sexual orientation, gender identity, or marital status**
 - i. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
 - ii. 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);
 - iii. An elderly family;
 - iv. A near-elderly family;
 - v. A disabled family;
 - vi. A displaced family; and
 - vii. The remaining member of a tenant family.
- b. The definition of Household will also receive the “actual or perceived, sexual orientation, gender identity, or marital status” clarification.
- c. Household means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.
- d. The term family also includes: elderly family, disabled family, single persons, a foster care arrangement, or a kinship care arrangement. Other persons, including members temporarily absent, may be considered a part of the applicant family's household if they are living or will live regularly with the family. Live-in aides are considered part of the applicant's household, however, live-in aides are not considered family members and have no right of tenancy.

Rejecting Applicants and Denial of Rental Assistance

1. The Owner/Agent may reject an applicant if the applicant is
 - a. Determined ineligible for occupancy in a particular unit or property
 - b. Unable to disclose and document SSNs of all household members who are at least 6 years old, or does not execute a certificate stating that no SSNs have been assigned.
 - c. Does not submit verification consent forms or the Authorization for Release of Information
 - d. Has household characteristics that are not appropriate for the specific type of unit available at that time

- e. Does not meet the necessary citizenship, noncitizen or mixed family status
 - f. Does not meet any other specific owner screening criteria
2. The applicant will be notified in writing of the determination for denial and the reasons thereof, and the applicants right to request a meeting within 14-days to dispute the determination
 3. The meeting will be conducted by a member of the Owner/Agent who was not involved in the original determination and not subordinate to the person making the initial determination. The applicant will be notified within five (5) business days of the final decision on eligibility.

Occupancy Standards

Occupancy Standards: The household size must be appropriate for the available apartments.

Applicants must meet the established occupancy standards. As a general policy there should be a minimum of one person per bedroom and no more than two persons per bedroom. Management shall take into consideration mitigating circumstances in cases where applicants or residents have a verifiable need for a larger unit.

Any household placed in a unit size different than that defined in these occupancy standards shall agree to transfer to an appropriate size unit when one becomes available at their own expense (in accordance with the Transfer Policy).

Dwelling units will be assigned in accordance with the following standards.

| Bedroom Size | Persons Per Household | |
|--------------|-----------------------|---------|
| | Minimum | Maximum |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 4 | 8 |

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

Live-in attendants will generally be provided a separate bedroom

Unit Transfers

1. Objectives of the Transfer Policy includes the following:
 - a. To address emergency situations
 - b. To fully utilize available housing resources while avoiding overcrowding by insuring that each family occupies the appropriate size unit.

- c. To facilitate relocations when required for modernization or other management purposes.
- d. To facilitate relocation of families with inadequate housing accommodations.
- e. To provide an incentive for families to assist in meeting the Owner/Agent's deconcentration goal.
- f. To eliminate vacancy loss and other expense due to unnecessary transfers

2. Categories of Transfers

- a. Category 1: Emergency transfers. These transfers are necessary when conditions pose an immediate threat to the life, health, or safety of a family or one of its members. Such situations may involve defects of the unit or the building in which it is located, the health condition of a family member, a hate crime, the safety of witnesses to a crime, or a law enforcement matter particular to the neighborhood.
- b. Category 2: Immediate administrative transfers. These transfers are necessary in order to permit a family needing accessible features to move to a unit with such a feature or to enable modernization work to proceed.
- c. Category 3: Regular administrative transfers. These transfers are made to offer incentives to families willing to help meet certain occupancy goals, to correct occupancy standards where the unit size is inappropriate for the size and composition of the family, to allow for non-emergency but medically advisable transfers, and other transfers approved by the Authority.

3. Documentation

- a. When the transfer is at the request of the family, the family may be required to provide third party verification of the need for the transfer.

4. Processing Transfers

- a. Transfers on the waiting list will be sorted by the above categories and within each category by date and time.
- b. Transfers in category 1 and 2 will be housed ahead of any other families, including those on the applicant waiting list. Transfers in category 1 will be housed ahead of transfers in category 2. Transfers in category 3 will be housed along with applicants for admission. Such transfers shall be limited to generally not exceed 10% of the total number of vacancies within any given fiscal year. Upon offer and acceptance of a unit, the family will execute all lease up documents and pay any rent and/or security deposit within two (2) days of being informed the unit is ready to rent. The family will be allowed ten (10) days to complete a transfer. The family will be responsible for paying rent at the old unit as well as the new unit for any period of time they have possession of both. The prorated rent and other charges must be paid at the time of lease execution. Tenant shall be responsible for payment of any tenant

caused damages in the old dwelling.

The following is the policy for the rejection of an offer to transfer:

1. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.
2. If the transfer is being made at the family's request and the rejected offer provides deconcentration incentives, the family will maintain their place on the transfer list and will not otherwise be penalized.
3. If the transfer is being made at the family's request, the family may, without good cause and without penalty, turn down one offer that does not include deconcentration incentives. After turning down a second such offer without good cause, the family's name will be removed from the transfer list.

Cost of the Family's Move

1. The cost of the transfer generally will be borne by the family in the following circumstances:
 - a. When the transfer is made at the request of the family or by others on behalf of the family (i.e. by the police);
 - b. When the transfer is needed to move the family to an appropriately sized unit, either larger or smaller;
 - c. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (The family without disabilities signed a statement to this effect prior to accepting the accessible unit); or
 - d. When the transfer is needed because action or inaction by the family caused the unit to be unsafe or uninhabitable.
2. The cost of the transfer will be borne by the project in the following circumstances:
 - a. When the transfer is needed in order to carry out rehabilitation activities; or
 - b. When action or inaction by the Owner/Agent has caused the unit to be unsafe or inhabitable.
 - c. The responsibility' for moving costs in other circumstances will be determined on a case-by-case basis.

Tenants in Good Standing

When the transfer is at the request of the family, it will not be approved unless the family meets the following eligibility criteria:

1. Have been a tenant for 12 months;
2. The family is current in the payment of all charges owed the Owner.
3. The family passes a current housekeeping inspection and does not have any record of housekeeping problems during the last year;
4. The family has not materially violated the lease over the past two years by disturbing the peaceful enjoyment of their neighbors, by engaging in criminal or drug-related activity, or by threatening the health or safety of Owner/Agent or Owner.

Transfer Requests

A tenant may request a transfer at any time by completing a transfer request form. In considering the request, the Owner/Agent may request a meeting with the tenant to better understand the need for transfer and to explore possible alternatives. The Owner/Agent will review the request in a timely manner and if a meeting is desired, it shall contact the tenant within thirty (30) business days of receipt of the request to schedule a meeting. The Owner/Agent will grant or deny the transfer request in writing within thirty (30) business days of receiving the request or holding the meeting, whichever is later. If the transfer is approved, the family's name will be added to the transfer waiting list.

Opening and Closing the Waiting List

The Owner/Agent will utilize the following procedures for opening the waiting list.

- When the Owner/Agent opens the waiting list, the Owner/Agent will advertise through public notice in local newspapers, if applicable through minority publications, and media entities, location(s), and program(s) for which applications are being accepted:
 - The notice will contain: the dates, times, and the locations where families may apply; the programs for which applications will be taken; a brief description of the program and limitations, if any, on who may apply.
 - The notices will be made in an accessible format if requested and will provide potential applicants with information that includes the Owner/Agent address and telephone number, how to submit an application, information on eligibility requirements, and the availability of local preferences.
 - Upon request from a person with a disability, additional time may be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.
- #### **2. Closing the Waiting List**
- The Owner/Agent may stop applications if there are enough applicants to fill anticipated openings for the next 12 months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.
 - The Owner/Agent will announce the closing of the waiting list by public notice. The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and during the next 12 months. The Owner/Agent will give at least 15 days notice prior to

closing the list. When the period for accepting applications is over, the Owner/Agent will add the new applicants to the list by separating the new applicants into groups based on preferences and ranking applicants within each group by the preferences and then date and time of application

Preferences

Owner/Agent shall not utilize and local preferences for selection from the waiting list.

V. INCOME/ ASSETS, ELIGIBILITY AND ASSISTANCE

In determining income for eligibility and assistance, the Owner/Agent shall apply the latest requirements under the program. In accordance with the requirements, the Owner/Agent shall use the following in its determinations:

1. Applicants for housing may be rejected if they fail to sign and submit verification consents in a timely manner.
2. In a two-person household in which both are adults, each individual shall be considered as a "co-head" of the household
3. The following shall be considered income:
 - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - b. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
 - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized by HUD. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
 - d. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;
 - e. Payments in lieu of earnings, such as unemployment, worker's compensation, and

severance pay;

- f. Welfare assistance received by the household.
 - i. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.
 - ii. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:
 - iii. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - iv. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
- g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and
- h. All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit

4. In determining income the following shall be excluded:

- a. Income from employment of children (including foster children) under the age of 18 years;
- b. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
- c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses;
- d. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- e. Income of a live-in aide (as defined by regulation);
- f. The full amount of student financial assistance paid directly to the student or to the educational institution;
- g. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- h. Certain amounts received that are related to participation in the following programs
- i. Amounts received under training programs funded by HUD;

- j. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- k. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- l. A resident service stipend. This is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the Owner/Agent's governing board. No resident may receive more than one such stipend during the same period of time; or
- m. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
- n. Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days.
- o. Reparations payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- p. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- q. Adoption assistance payments in excess of \$480 per adopted child;
- r. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments;
- s. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- t. Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and.
- u. 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 1937 Act. A notice will be published in the *Federal Register* and distributed to HHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- i. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
- ii. Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
- iii. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)); .
- iv. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- v. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- vi. Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);
- vii. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L- 94-540, 90 Stat. 2503-04);
- viii. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
- ix. Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- x. Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
- xi. Payments received on or after January 1, 1989, from the Owner/Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *Re Owner/Agent-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.);
- xii. Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- xiii. 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);
- xiv. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
- xv. Payments by the Indian Claims Commission to the Confederated Tribes and

Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

- xvi. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
 - xvii. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spinal bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
 - xviii. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
 - xix. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).
5. In determining assets for income, the following shall be included:
- a. Amounts in savings and checking accounts.
 - b. Stocks, bonds, savings certificates, money market funds and other investment accounts.
 - c. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the assets and reasonable costs (such as broker fees) that would be incurred in selling the assets.
 - d. The cash value of trusts that may be withdrawn by the family.
 - e. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
 - f. Some contributions to company retirement/ pension funds. Note the discussion below on accessibility of the funds.
 - g. Assets, which although owned by more than one person, allow unrestricted access by the applicant.
 - h. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
 - i. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
 - j. Cash value of life insurance policies
 - k. Assets disposed of for less than fair market value during the two years preceding certification or re-certification.
6. In determining assets, the following shall be excluded:
- a. Necessary personal property, except as noted in 5(i).
 - b. Interest on Indian trust lands.

- c. Assets that are part of an active business or farming operation.
NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's/tenant's main occupation.
 - d. Assets not controlled by or accessible to the family and which provide no income for the family
 - e. Vehicles especially equipped for the disabled.
 - f. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.
7. In determining the assets, the Owner/Agent shall use the latest pass book rate to determine the value when the amount exceeds the applicable Total Value of Assets (TVA) principle
 8. Tenant Certifications and Recertifications shall be transmitted by the Owner/Agent to HUD via the current electronic requirements
 9. All adults, age 18 and over, in each application and recertification, must sign all required consent forms.
 10. Verification consent forms shall contain mandatory customer protections, including the restriction that information verified be limited to that which may be needed to determine eligibility or level of assistance.

VI. PRODECURES FOR REQUESTING AND IMPLEMENTING RENT CHANGES

Hertford Housing Authority abides by HUD guidelines for implementing rent changes.

VII. VERIFICATION

Enterprise Income Verification (EIV)

The EIV System is a web-based application, which provides Agent with employment, wage, unemployment compensation and social security benefit information of tenants who participate Assisted Housing Programs under the jurisdiction of the Office of Housing and Public and Indian Housing (PIH). This system is available to Agent. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058 or 50059.

Agent is required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist Agent which may include the following:

- Identifying tenants whose reported personal identifiers do not match the SSA database;
- Identifying tenants who need to disclose a SSN;
- Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
- Identifying tenants who may not have reported complete and accurate income information;
- Identifying tenants who have started a new job;
- Identifying tenants who may be receiving duplicate rental assistance;
- Identifying tenants who are deceased and possibly continuing to receive rental assistance;
- Identifying former tenants of rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a HHA or Section 8 landlord.

All Agent staff (including Agent-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office. The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the Agent Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

The Verification Hierarchy

The Agent will begin with the highest level of verification techniques. The Agent is required to access the EIV system and obtain an Income Report for each household. The Agent is required to maintain the Income Report in the tenant file along with the form HUD-50059 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

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

Level/Verification Technique Ranking

| Level | Verification Technique | Ranking |
|-------|---|--|
| 6 | Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants) | Highest (Mandatory) |
| 5 | Upfront Income Verification (UIV) using non-HUD system | Highest (Optional) |
| 4 | Written third Party Verification | High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute) |
| 3 | Written Third Party Verification Form | Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA, and when the applicant or tenant is unable to provide acceptable documentation) Low (Mandatory if written third party verification is not available) |
| 2 | Oral Third Party Verification | Low (Mandatory if written third party verification is not available) |
| 1 | Tenant Declaration | Low (Use as a last resort when unable to obtain any type of third party verification) |

This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not always available for verifying income of applicants. The Agent is still required to use EIV for applicants to determine other factors as relates to eligibility and maintain a copy of the record in the file.

Verification Technique Definitions Third Party Verification Techniques

Upfront Income Verification (UIV) (Level 6/5)

The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. The EIV system is available to the Agent as a UIV technique. The Agent is encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income when available.

Written Third Party Verification (Level 4)

An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or the Agent request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents.

These tenant-provided documents are considered written third party verification since they originated from a third party source. The Agent may, at its discretion reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to:

- Pay stubs,
- Payroll summary report,
- Employer notice/letter of hire/termination,
- SSA benefit verification letter,
- Bank statements,
- Child support payment stubs,
- Welfare benefit letters and/or printouts, and;
- Unemployment monetary benefit notices.
- Current acceptable tenant-provided documents must be used for income and rent determinations.

The Agent is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the Agent should project income based on the information from a traditional written third party verification form or the best available information.

Documents older than 60 days (from the Agent interview/determination or request date) is acceptable for confirming effective dates of income.

Written Third Party Verification Form (Level 3)

Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). The Agent sends the form directly to the third party source by mail, fax, or email.

Owner/Agent Policy

It is the Agent's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced the Agent relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The Agent recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

Documents must originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

Oral Third Party Verification (Level 2)

Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. Agent staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification will be used in the event that the independent source does not respond to the Agent's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

Non-Third Party Verification Technique Tenant Declaration (Level 1)

The tenant submits an affidavit or notarized statement of reported income and/or expenses to the Agent. This verification method should be used as a last resort when the Agent has not been successful in obtaining information via all other verification techniques. When the Agent relies on tenant declaration, the Agent must document in the tenant file why third party verification was not available.

Exceptions to Third Party Verification Requirements

The exception to third party verification is, “The Agent must obtain and document in the family file third party verification of the following factors, **or must document in the file why third party verification was not available.**”

If third party verification is not available for a variety of reasons These reasons include::

- The Agent may have made numerous attempts to obtain the required verifications with no success, or
- It may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal.

In these cases, the Agent is **required to document in the file the reason(s) why third party verification was not available.**

Compliance and reduction of the administrative burden of third party verification requirements of family annual income

Agent can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by all of the following:

- Reviewing the EIV Income Report to confirm/validate tenant-reported income
- Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations) in the tenant file
- Obtaining current acceptable tenant-provided documentation to supplement EIV information
- Using current tenant-provided documentation and/or third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, Agent does not need to obtain or request a benefit verification letter from the tenant.

The Agent may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The Agent must request written third party verification under the following circumstances:

- When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute.
- When the Agent requires additional information that is not available in EIV and /or the tenant is unable to provide the Agent with current acceptable tenant-provided documentation.

Types of file documentation required to demonstrate Agent compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).

For each new admission, the Agent is required to do the following:

- Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- Print and maintain a copy of the EIV Income Report in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

For each historical adjustment, the Agent is required to do the following:

- Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- Print and maintain a copy of the EIV Income Report in the tenant file;
- Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

For each interim reexamination of family income and composition, the Agent is required to have the following documentation in the tenant file:

- **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. The Agent has the discretion to print the EIV Income report, however, only the ICN page is required.

Tenants That Do Not Provide the Agent with Requested Information

If the tenant does not provide the requested information, the Agent may mail or fax a third party verification request form to the third party source. The Agent is *required* to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the Agent shall remind the tenant that s/he is required to supply any information requested by the Agent for use in a regularly scheduled annual or interim reexamination of family income and composition.

The Agent may determine that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner,

All EIV Income Reports contain the date the report was generated and by whom; and the date EIV received each type of information.

EIV Requirements for Recertification

To minimize tenant underreporting of income, the Agent is required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), Agent is required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the Agent is required to take the following actions:

- Discuss the income discrepancy with the tenant
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources;
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the Agent is required to request from the third party source, any information necessary to resolve the income discrepancy
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively*
- Take any other appropriate action as directed by HUD or the Agent's administrative policies.

* The Agent is required to determine the retroactive rent as far back as the existence of complete file documentation (supporting documentation) to support such retroactive rent determinations.

The repayment agreement must include:

1. Include the total retroactive rent amount owed, the amount of lump sum paid at time of execution of the agreement, if applicable, and the monthly payment amount.
2. Reference the paragraphs in the lease whereby the tenant is in noncompliance and may be subject to termination of their lease.
3. Contain a clause whereby the terms of the agreement can be renegotiated if there is a decrease or increase in the family's income of \$200 or more per month.
4. Include a statement that the monthly retroactive rent repayment amount is in addition to the family's monthly rent payment, and is payable to the owner.
5. Late and missed payments constitute default of the repayment agreement and may result in termination of assistance and/or tenancy.
6. Be signed and dated by the tenant and the owner.

Note: A substantial difference is defined as an amount equal to or greater than \$2,400, annually.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the Agent is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the Agent may reject any tenant-provided documentation, if the Agent deems the documentation unacceptable. The Agent may reject documentation provided by the tenant for only the following HUD-approved reasons:

- The document is not an original; or
- The original document has been altered, mutilated, or is not legible; or
- The document appears to be a forged document (i.e. does not appear to be authentic).

The Agent will explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the Agent deems necessary to complete the income determination process, the Agent is required to submit a traditional third party verification form to the third party source for completion and submission to the Agent.

If the third party source does not respond to the Agent's request for information, the Agent is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The Agent should then pursue lower level verifications in accordance with the verification hierarchy.

The Agent's procedures for anticipating annual income will include the use of EIV methods approved by HUD in conjunction with family-provided documents. The Owner/Agent will follow "HUD Guidelines for Projecting Annual Income When Enterprise Income Verification (EIV) Data Is Available" in handling differences between EIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of \$200 or more per month.

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

- a) If the EIV figure is less than the family's figure, the Owner/Agent will use the family's information.
- b) If the EIV figure is more than the family's figure, the Owner/Agent will use the EIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the Owner/Agent will use the family-provided information.

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

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

- a) When the Owner/Agent cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the Owner/Agent will review historical income data for patterns of employment, paid benefits, and receipt of other income.
- b) The Owner/Agent will analyze all EIV, third-party, and family-provided data and attempt to resolve the income discrepancy.
- c) The Owner/Agent will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

Other Verification.

Verification shall be carried out in such a manner as to obtain third party written verification whenever possible.

Social Security numbers for all individuals declaring eligibility will be obtained at the time of admission.

A criminal records check will be performed on all adult members listed on the personal declaration in order to identify a prospective tenant or current participant with a history of criminal activity, abuse of alcohol, or drug related offenses.

1. The Agent shall not admit a family that cannot pass the current federal behavioral standards with regards to criminal, alcohol, or drug related activity.
2. The Agent in making such determination shall consider the nature or the past offense, threats to the health safety, welfare or peaceful enjoyment of others.
3. Such criminal or other records and information shall be considered without a conviction, and only require a preponderance of evidence.
4. Such record shall be considered grounds for a determination of ineligibility.

Lifetime sex offenders are ineligible for assistance.

In accordance with One-strike provisions and other federal mandates to screen and reduce criminal activity on assisted housing properties, the Agent shall carry-out the provisions contained in the applicable portions of the regulations on screening, management, leasing, continued occupancy and lease enforcement including but not limited to the following:

1. Agent shall perform an examination of relevant information respecting past and current habits or practices will include, but is not limited to, an assessment of the applicant's adult family members
2. Past performance in meeting financial obligations, especially rent and utility bills
3. Record of disturbance of neighbors (sufficient to warrant a police call) destruction of property, or living or housekeeping habits that may adversely affect the health, safety, or welfare of other tenants or neighbors
4. History of criminal activity on the part of any applicant family member involving crimes of physical violence to persons or property or other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or development
 - a. Agent may require an applicant to exclude a household member in order to be admitted if that household member has participated in or been culpable for criminal actions that warrant rejection;
 - b. Agent may prohibit admission for a prescribed period of time after some disqualifying behavior or event for the applicant or family and may choose to continue that prohibition for a longer period of time if the family has:
 - i. A record of eviction from housing or involuntary termination from residential programs (taking into account date and circumstances);or

- ii. Has information of an applicant's ability and willingness to comply with the terms of the lease
- iii. Agent is **required** to reject the applications of certain applicants for criminal activity or drug abuse by household members:
 - 1. The Agent shall reject the application of any applicant for three years from the date of eviction if any household member has been evicted from any federally assisted housing for drug related criminal activity. However, the Agent may admit the household if the Agent determines that
 - a. The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the Agent, or
 - b. The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
 - 2. The Agent is required to reject the application of a household if the Agent determines that:
 - a. Any household member is currently engaging in illegal use of a drug; or
 - b. The Agent has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or
 - c. Any household member has ever been convicted of manufacture or production of methamphetamine on the premises of any federally assisted housing; or
 - d. Any member of the household is subject to a lifetime registration requirement under a State sex offender registration program; or
 - e. Any member of the household's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

VIII. MINIMUM RENT

- 1. The minimum rent for Kingview/Riverview/Stokes TTP shall be \$25 per month and shall be effective December 1, 2014 and thereafter, unless changed by HHA.
- 2. The Owner/Agent shall be required to provide for hardships as required in the regulations, so long as the minimum rent is greater than \$ -0
- 3. The current hardship provisions include:

- a. Ineligible for financial assistance
- b. Loss of employment
- c. Death in the family
- d. Family would be evicted as a result of imposition of the minimum rent

IX. MAINTENANCE AND REPAIR PROGRAMS

Owner/Agent's maintenance personnel will carry out a preventive maintenance program for plumbing and electrical systems, equipment, and appliances in accordance with manufacturer's warranties and operating manuals. Furthermore, Owner/Agent will conduct an annual inspection of each unit to monitor existing and potential maintenance problems.

1. Project "as built" plans and specifications will remain at the housing authority office.
2. A physical inspection of appliances and mechanical equipment will be performed annually. Prior to releasing the apartment units for occupancy, a check will be made to insure that all appliances and mechanical equipment are properly installed and in operating condition. The Hertford Housing Authority will conduct scheduled maintenance and repair for installed equipment in accordance with manufacturer's recommendations and operating manuals. Scheduled equipment will include cleaning and replacement of equipment parts. Maintenance records will be kept to ensure proper equipment maintenance.
3. Inspection forms will be used for the inspection of units, grounds, and to identify maintenance issues. Inspections will be conducted annually, at move-in, and move-out.
4. Cycle painting will be done to apartments that have been continuously occupied by the same resident every three years. All vacant apartments will be painted before move-in.
5. Before occupancy all vacant units will be cleaned and repairs finished. If necessary the exterior will be cleaned. All vacant units will be painted prior to move-in.
6. Trash collection will be conducted by the trash collection policies of the Town of Hertford.
7. Subcontractors will be used for repairs that cannot be handled by Hertford Housing Authority Staff. The Hertford Housing Authority will solicit bids from minority and other contractors, with a proven track record and reasonable cost. Bids will be evaluated based on quality of workmanship, performance, and cost. All procurement will be accordance with the Hertford Housing Authority Procurement Policy.
8. Lawn maintenance will be completed by a independent contractor. The continuous upkeep will include; trash pick-up, clean sidewalks, edging walkways, cutting and edging, tree and plan maintenance. Mulch will be placed in flower beds during the spring and fall.
9. Common areas will be maintained in continuous manner as the surrounding buildings.
10. Major/Minor maintenance needs will be written up in work order form at the time they are reported by the residents. The completed forms will be given to maintenance staff in a timely manner.
11. A paging system will be used to report all emergency calls to the maintenance staff. Emergency calls made after regular business hours will be made to on-call staff. Residents

will be given the emergency numbers at move-in and a continuous basis.

12. Smoke alarms and carbon monoxide detectors are placed in each apartment and checked during inspection by maintenance staff.
13. The maintenance supervisor is responsible for preventative maintenance, planning, scheduling and monitoring will be done by the maintenance supervisor.

X. RENT COLLECTION POLICIES AND FISCAL PROCEDURES.

1. All rents are due and payable to the Owner/Agent on the first working day of the month, but shall not be considered delinquent so long as payment is made no later than the fifth working day of the month.
 - a. Rents may be paid to at the rent payment box, via mail, or in person at 104 White Street, Hertford, NC 27944.
 - b. Upon payment, Owner/Agent will issue tenant a rent receipt, with copies of the receipt to be retained by the Owner/Agent.
 - c. Full rents not received by the fifth working day of the month shall be deemed delinquent and a late fee assessed.
 - d. Tenants with move-ins or move-outs that occur after the first of the month shall have their rents appropriately pro-rated.
2. Tenants whose rents remain unpaid after the fifth working day of the month shall be sent a "Delinquent Letter" by the Owner/Agent stating that if the rent is not paid within fourteen-(14) days of the letter's date, eviction proceedings will be initiated.
 - a. Owner/Agent will file a formal Landlord-Tenant Complaint with the appropriate district justice against those tenants who fail to make full payment by the end of the fourteen-day (14) period specified in the delinquency letter.
 - b. Owner/Agent's representative will be responsible to attend a hearing on the Landlord Tenant Complaint, as set by the District Justice.
 - c. Owner/Agent may drop hearing proceedings if judgment is satisfied prior to the hearing.
 - d. Owner/Agent will follow standard legal procedures for eviction in cases in which a judgment is not satisfied.
3. Owner/Agent will maintain complete electronic record of all rent payment transactions.
4. Owner/Agent shall deposit all rents daily into a bank account(s) maintained for operating receipts and expenditures of the project. All checks against this account(s) will be written and disbursed by the Owner/Agent's main office.
5. All residents will pay a security deposit in the greater amount of one month's rent or \$50. The amount is noted on the tenant's lease and placed in a separate Security Deposit Account. Upon move-out, the deposit may be forfeited as part, or totally, depending on the damages and monies owed in accordance with North Carolina State Law. No security deposit will be returned until a move-out inspection is completed and any charges and/or

damages, in which the tenant is responsible is assessed.

6. Owner/Agent shall maintain all records and submit appropriate report forms in a timely manner as per applicable regulatory agency requirements.
7. Escrow deposits for real estate taxes and insurance, reserves for painting, replacements, etc. and mortgage insurance premiums will be paid directly by the Owner/Agent from project funds. Reserves will be paid along with the mortgage payment. Requests for release of reserves will be made as invoices for eligible expenditures are received.
8. The Owner/Agent's books and records of the project will be subject to audit by a professional independent accounting firm who will prepare and submit an audit report in accordance with regulatory agency requirements.

XI. TENANT/MANAGEMENT RELATIONS.

The Hertford Housing Authority staff has the experience and training needed to manage a Multi-family complex including rental assistance demonstration (RAD) provisions . Administrative fees will be appropriate for a development of this size.

HUD shall determine the compensation for all management services performed under this plan. Monthly fees will be paid from the General Operating Account and treated as a project operation and maintenance expense. Such fees are payable on the first of each month for the preceding month at a rate calculated by the provided the HUD formula.

A copy of the grievance procedure will be posted on the lobby bulletin board. All resident grievances in the areas of management services, maintenance services, management policy, management personnel, and issues concerning other residents, will receive prompt attention and follow-up from Hertford Housing Authority staff.

For matters concerning resident problems and disputes between residents, the Director will conduct a meeting to discuss the matter. Proper documentation will be placed in the tenant file.

A Tenant who believes that he/she or a member of their household has been discriminated against because of a handicap or disability and/or who believes that the Owner/Agent and/or Sponsor has not made reasonable accommodations in compliance with applicable regulations, is entitled to aggrieve said matter as provided above. In such cases, every reasonable attempt will be made to adapt the setting of the grievance hearing(s) to assure that the Complainant is given a fair opportunity to present his or her grievance in an accessible location (which may be the Complainant's dwelling unit if so desired) with appropriate aids to communication available. Owner/Agent will also advise the aggrieved tenant of his/her right to file a complaint with the responsible civil rights official.

XII. AMOUNT OF FIDELITY BOND REQUIRED

The fidelity bond coverage will be determined using:

- The formula in the 4350 Handbook

The United States acting through the HUD will be named co-obligee to the bond.

XIII. POLICY TO REDUCE PROGRAM ABUSE BY TENANTS

A copy of the Fraud Prevention Policy as well as the OIG Fraud Notice will be given to all applicants and tenants to reduce program abuse.

Applicants and move-ins will be given a copy of “Things you should know”. Residents will be required to sign, to verify they have read and received a copy of this form. This form explains the penalties for giving false information, and defines income, assets, and family/household members, as well as other important information

All applicants/move-ins and current residents will be required to complete required forms in their own handwriting when possible. This will advise applicants/tenants of the penalties or providing false information.

XIV. MANAGEMENT AGREEMENT CONTRACT

This Management Plan is hereby made a part of the attached Management Contract in support of this plan.

XV. VIOLENCE AGAINST WOMAN ACT

The Violence against Women Reauthorization Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. The victim can be male or female, and both are protected under the Act. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the assisted housing program:

Every contract for contributions shall provide that . . . the agency shall not deny admission to the project to any applicant on the basis 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, and that nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, sexual assault, dating violence, or stalking.

Definitions

As used in VAWA:

- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term *dating violence* means 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:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
 - 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) an affiliated individual of that person, or (3) the spouse or intimate partner of that person.
- The term “*Affiliated Individual*” means and is defined as with respect to an individual, as a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis, or any individual, tenant, or lawful occupant living in the household of that individual.
- “Sexual assault” is defined as “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)).

Notification and Victim Documentation

The Agent acknowledges that a victim of domestic violence, sexual assault, dating violence, or stalking may have an unfavorable history that would warrant denial under the Agent’s policies. Therefore, if the Agent makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the Agent will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking.

- The documentation must include two elements:
 - A signed statement (HUD-50067) by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking and
- One of the following:
 - A police or court record documenting the actual or threatened abuse

- A statement signed by an employee, Agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The applicant must submit the required documentation with her or his request for an informal hearing or must request an extension in writing at that time. If the applicant so requests, the Agent will grant an extension of 10 business days, and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the Agent determines the family is eligible for assistance, no informal hearing will be scheduled and the Agent will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, or stalking, the Agent will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment.

If the family elects the second option, the documentation must be signed by an employee or Agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

Agent Confidentiality Requirements

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

XVI. ENERGY CONSERVATION MEASURES AND PRACTICES

The primary responsibility for energy conservation rests upon the individual resident. Residents are required to have utilities accounts in their own names, making direct payments to the utility service companies. Residents will be urged to take note of energy conservation measures suggested by the utility service providers.

Secondary responsibility for the energy conservation rests upon the Authority. This will be

met by installing energy efficient equipment, when available. In addition the Authority will conduct energy audits at five-year intervals to determine if the opportunities for additional conservation are available and feasible. Energy conservation measures identified in an energy audit will be implemented by Management as soon as practicable and feasible in consideration of budgetary restraints, but only following consultation with HUD and USDA/RD.

Management will control the use of utilities in common and administrative areas of the property and will implement energy conservation practices whenever and wherever feasible. This will be limited to the extent of the properties covered within this policy.

Proposed energy conservation measures in connection with utilities paid by Management will include, but not limited to, "lights out" when not needed, use of minimum wattage to achieve desirable foot candles of lighting, adjusting thermostats to comply with Federal Energy Conservation Guidelines, and continued review of energy efficient practices.

XVII. PET POLICY

INTRODUCTION

PHAs have discretion in the development of policies pertaining to the keeping of pets in public housing units. This Chapter explains Owner/Agent's policies on the keeping of pets and any criteria or standards pertaining to the policy. The rules adopted are reasonably related to the legitimate interest of Owner/Agent to provide a decent, safe and sanitary living environment for all tenants, to protecting and preserving the physical condition of the property, and to preserve the financial interest of Owner/Agent.

The purpose of this policy is to establish Owner/Agent's policy and procedures for ownership of pets in elderly and disabled units as well as in family units, and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. Owner/Agent also establishes reasonable rules governing the keeping of common household pets.

Nothing in this policy or the dwelling lease limits or impairs the right of persons with disabilities to own animals that are considered a disability service or companion animal.

In accordance with Section 526 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), Owner/Agent hereby sets forth rules and regulations concerning pet ownership in its public housing units. Only "common household pets" as defined herein will be permitted in Owner/Agent owned properties.

A common household pet, for the purposes of Owner/Agent's conventional housing program: A domesticated animal, such as a dog, cat, bird, or fish that is traditionally kept in the home for pleasure rather than for commercial or breeding purposes. Common household pet does not include reptiles. This definition shall not include animals that are used to assist persons with disabilities.

Residents may own and keep fish or birds in accordance with the dwelling lease.

Residents may own two pets as defined in this policy.

EXCLUSION FROM the PET POLICY FOR ANIMALS THAT ASSIST PERSONS WITH DISABILITIES (FHEO 2013-01)

FHEO Notice 2013-01 explains certain obligations of housing providers under the Fair Housing Act (Act), Section 504 of the Rehabilitation Act of 1973 (Section 504), and the Americans with Disabilities Act (ADA) with respect to animals that provide assistance to individuals with disabilities. The Department of Justice's (DOJ) amendments to its regulations' for Titles H and III of the ADA limit the definition of "service animal" under the ADA to include only dogs (and small horses), and further define "service animal" to exclude emotional support animals.

This definition, however, does not limit Owner/Agent's obligation to make reasonable accommodations for assistance animals under the Act or Section 504. Persons with disabilities may request a reasonable accommodation for any assistance animal, including an emotional support animal, under both the Act and Section 504. In situations where the ADA and the Act/Section 504 apply simultaneously (e.g., a public housing agency, sales or leasing offices, or housing associated with a university or other place of education), housing providers must meet their obligations under both the reasonable accommodation standard of the Act/Section 504 and the service animal provisions of the ADA

Owner/Agent's Pet Policy shall neither apply to animals that are used to assist persons with disabilities and their assistance animals, who visit Owner/Agent's developments and dwelling units. Pet policies do not apply to either service animals or companion animals. 24 CFR 5; 24 CFR 960.705. Residents with an animal that assists persons with disabilities must still comply with all other conditions of the lease, including but not limited to; maintaining property, fulfilling housekeeping and not disturbing other residents peaceful enjoyment of the property.

Owner/Agent must grant this exclusion if the following is provided:

- The resident or prospective resident verifies that they are persons with disabilities by completing Owner/Agent's reasonable accommodation process.
- The animal has been trained to assist persons with the specific disability (example, guide dog); and
- The animal actually assists the person with a disability.

Note: Written certification of training for the animal is not required, nor should it be requested.

Certain entities will be subject to both the service animal requirements of the ADA and the reasonable accommodation provisions of the Act and/or Section 504. These entities include, but are not limited to, public housing agencies and some places of public accommodation, such as rental offices, shelters, residential homes, some types of multifamily housing, assisted living facilities, and housing at places of education. Owner/Agent will must ensure compliance with all relevant civil rights laws. As noted above, compliance with the Act and Section 504 does not ensure compliance with the ADA. Similarly, compliance with the ADA's regulations does not ensure compliance with the Act or Section 504. The preambles to DOJ's 2010 Title II and Title III ADA regulations state that public entities or public accommodations that operate housing

facilities "may not use the ADA definition [of "service animal"] as a justification for reducing their Act obligations. Owner/Agent will apply this standard.

Companion Service Animal

Distinction is hereby given to "companion animals" and "service animals." If the animal does not have specific disability related training but is necessary in coping with the disability (for instance, if the animal provides emotional support to a person with a panic disorder), the animal is a "companion animal" not a "service animal."

A "service animal" means any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability. Service animals are equivalent to other "auxiliary aids" such as wheelchairs and eyeglasses, and as such must be permitted. 24 CFR 5.303; 28 CFR 36.104.

When an applicant or resident with a disability asserts and can verify that an animal is a companion or service animal for his/her disability, the applicant should make a request for a reasonable accommodation; specifically, to be allowed to keep the animal by completing Owner/Agent's reasonable accommodation process.

Owner/Agent will require verification that the applicant is a "qualified individual with handicaps" as defined by 24 CFR 8.3, and that the animal is necessary in coping or assisting with the disability.

Upon receipt of verifications, Owner/Agent will approve the animal.

Residents requiring more than one animal as either a "companion animal" or "service animal" must request the animal by completing Owner/Agent's reasonable accommodation process.

MANDATORY RULES FOR RESIDENTS WITH PETS

In accordance with the regulations, Owner/Agent hereby sets forth the following rules for pet ownership in its conventional housing units:

Registration

1. The Resident must request and receive written formal approval from the Owner/Agent prior to bringing the common household pet, (hereinafter referred to as "pet") on the premises. The pet request shall be made on the standard form "Pet Occupancy Request/Registration Form" (Owner/Agent PM Form, Exhibit "5").
2. Registration of the pet shall include a photograph that is retained on file with Owner/Agent PM Form #78. The photograph will be utilized to confirm identity of the pet in case of emergency and to ensure that the same pet registered is the pet occupying the resident's dwelling unit.
3. Residents registering pets that are not fully-grown at the execution of the initial Pet Addendum will be required to report back to the development office at the first year anniversary of the agreement in order that the pet may be re-photographed for identification purposes.
4. At the time of registration, Resident must provide information sufficient to identify the

pet and to demonstrate that it is a common household pet. See Owner/Agent PM Form #78.

5. The name, address, and phone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet must be provided at the time of registration.
6. A Pet Policy Addendum must be completed and signed prior to the pet being allowed in the unit.
7. Pet Deposits or Pet Fees must be current in accordance with the pet provisions.
8. There is a limit on the number of pets and the resident is in compliance with all provisions.
9. No visiting pets are allowed on Owner/Agent property.

Dogs

1. If the pet is a dog, it shall not weigh more than 25 pounds (fully grown) and stand no more than 20 inches in height from the front shoulder of the animal.
2. Must adhere to the breed restrictions in this policy
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.
4. Doghouses located outside any dwelling unit are prohibited.

Cats

1. The weight of a cat cannot exceed twenty-five (25) pounds (fully-grown).
2. The resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Litter boxes must be changed twice per week at a minimum. Cardboard boxes are not acceptable and will not be approved. The resident shall not permit refuse from litter boxes to accumulate, become odorous, to become unsightly, or unsanitary.
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.

Dog/Cat—Spaying and Neutering

If the pet is a dog or cat, it must be spayed/neutered by six months of age. Evidence of spaying/neutering can be proved by a statement/bill from a licensed veterinarian and/or staff of the Humane Society or by means of the veterinarian certification provided for on Owner/Agent PM Form 78, (Exhibit #5).

Birds

1. Maximum number: 2
2. Must be enclosed in a cage at all times.

Fish

If the pet is fish, the aquarium must be twenty gallons or less, and the container must be placed in a safe location in the unit. The resident is limited to one container for fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner. Residents shall be responsible for any damage caused by leakage or spillage from the aquarium or fish bowl. The aquariums must be on a provable stand that is stable and cannot be easily pushed over.

Rodents (Guinea pig, hamster, or gerbil ONLY; mice and rats are not allowed.)

Maximum number 1

Must be enclosed in an acceptable cage at all times Must have any or all inoculations as specified now or in the future by State law or local ordinance.

Turtles (Not Allowed)

Inoculations/Vaccinations

If the pet is a cat, dog, or other four-legged animal, it must have received rabies and distemper inoculations or boosters, as applicable. The resident shall provide the Owner/Agent with evidence of inoculations certified by a licensed veterinarian or a State or local authority empowered to inoculate animals (or designated agent of such an authority) stating that the pet has received all inoculations required by applicable State and local law. Said certification may be provided on the veterinarian's statement/bill or on Owner/Agent PM Form #78 (Exhibit 5).

Licensing

1. Licensing of all dogs shall be required in accordance with applicable State and local law on an annual basis. The dog must always wear a license with owner's name, address and telephone number.
2. In the event that applicable State or local law changes with reference to licensing of any and all pets, Owner/Agent will require its residents to comply upon appropriate notice.

Sanitary Conditions

The pet rules shall prescribe sanitary standards to govern the disposal of pet waste.

These rules are as follows:

- Resident shall be responsible for immediately disposing of all animal waste excreted inside the development building or on the development grounds.
- Pet waste may be disposed in designated areas for the development (pet waste stations, trash can, or dumpsters).
- Waste must be placed in a plastic bag, tightly secured and deposited in a dumpster or properly disposed .
- Poorly disposed waste will not be tolerated and will be subject to a \$25.00 charge per incident.
- Each time a pet owner fails to remove pet waste in accordance with this rule, a \$25.00 charge will be levied to the resident's account.
- Conditions outlined in Cats #2, above, pertaining to cat waste shall also prevail.

General Provisions

1. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet.
2. Costs incurred by Owner/Agent for **extermination of fleas, ticks, and other animal related pests**, will be deducted from the pet security deposit after either the pet is removed or the resident vacates. Residents are encouraged to use flea controls to get rid of fleas and other animal-related pests on an "as needed" basis.
3. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, "disturb, interfere or diminish" shall include but is not limited to: barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The Owner/Agent will terminate this authorization if a pet disturbs other residents under this section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.
4. Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership.
5. Pets may not be bred or used for any commercial purposes on Owner/Agent property.

CONTROL OF ANIMAL

1. No animal shall be permitted to be loose and if the pet is taken outside it must be taken outside on a chain leash **no longer than five (5') feet** and kept off lawns designated to other residents. Retractable leashes are prohibited. Animals cannot be tied on Owner/Agent property- for example- tied to clothes pole, fixture or tree.

2. All authorized pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not under the control of an adult. Owner/Agent staff will contact the local Humane Society or dog warden in the event pets are found to be unleashed, or leashed and unattended, on Owner/Agent property. It shall be the responsibility of the resident to reclaim the pet and at the expense of the resident.
3. The resident pet owner shall have canine pets restrained so that maintenance can be performed in the dwelling unit. The resident **shall** whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the resident pet owner shall be charged a fee of \$25.00. If the situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained will be impounded and reported to the local Humane Society for removal. It shall be the responsibility of the resident pet owner to reclaim the pet at the expense of the resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to its maintenance, inspections, or other activities.

UNATTENDED PETS

Pet(s) may not be left unattended for more than twenty-four (24) consecutive hours. If it is reported to Owner/Agent staff that a pet has been left unattended for more than a twenty-four (24) hour period, Owner/Agent staff may enter the unit and remove the pet and transfer the pet to the humane society. Any expense to remove and reclaim the pet from any facility will be the responsibility of the resident.

PROHIBITED PETS

1. Owner/Agent will forbid the following kinds of animals from being kept as pets on any of its properties: Pit bull, Rottweiler, German Shepherd, Chow, Doberman Pinscher or any species considered vicious, intimidating, or kept for the purpose of training for fighting or wagering of bets (i.e. roosters for "cockfighting", etc.). Owner/Agent forbids the keeping of animals that have had their vocal cords cut, by a process commonly known as "debarking."
2. Exotic pets or barnyard animals are prohibited. (Snakes and reptiles are considered exotic pets.) (exception is a small horse that is a reasonable accommodation service animal)
3. Animals who would be allowed to produce offspring for sale.
4. Wild animals, feral animals, and any other animals that are unamenable to routine human handling.
5. Animals of species commonly used on farms.
6. Non-human primates.
7. Animals whose climatologically needs cannot be met in the unaltered environment of the individual dwelling unit.

8. Pot-bellied pigs, or goats.
9. Snakes, lizards, spiders, chickens.
10. The following restrictions apply to pets, based on weight, size and inherent dangerousness, including prohibitions against the keeping of:
 - Any animals whose weight could exceed the policy maximum weight and size by adulthood.
 - Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites and lacerations.
 - Hedgehogs or other animals whose protective instincts and natural body armor produce a risk to children of serious puncture injuries.
 - Chicks or other animals that pose a significant risk of salmonella infection to those who handle them.
 - Pigeons, doves, mynah birds, psittacoses birds, and birds of other species that are hosts to the organisms causing psittacosis in humans.

Tenants must adhere to the restrictions on numbers and types of pets.

PET POLICY VIOLATION PROCEDURES

Owner/Agent reserves the right to require residents to remove any pet from the premises whose conduct (noise, biting, breeding, etc.) or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants or pets of the development, neighbors, staff, or visitors. Owner/Agent reserves the right to remove such a pet in the event that the pet owner does not or cannot remove the pet.

Notice of Pet Policy Violation

If Owner/Agent determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets. Owner/Agent may serve a written notice of Pet Policy violation on the pet owner in accordance with the dwelling lease. The notice of pet rule violation must:

- Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
- State that the pet owner has ten (10) days from the effective date of service of the notice to correct the violation (including, in appropriate circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation;
- State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
- State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

Pet Policy Violation Private Conference

If the pet owner makes a timely request for a private conference to discuss an alleged Pet Policy violation, Owner/Agent shall establish a mutually agreeable time and place for the private conference but no later than three (3) days from the effective date of service of the notice of Pet Policy violation.

At the pet rule violation private conference, the pet owner and Owner/Agent representative shall discuss any alleged Pet Policy violation and attempt to correct it. Owner/Agent may, as a result of the meeting, give the pet owner additional time to correct the violation.

Notice for Pet Removal

If the pet owner and Owner/Agent are unable to resolve the Pet Policy violation at the pet rule violation private conference, or if a representative of Owner/Agent staff determines that the pet owner has failed to correct the Pet Policy violation within any additional time provided herein, the Owner/Agent may serve a written notice on the pet owner in accordance with Section of the Dwelling Lease or at the private conference, if appropriate, requiring the pet owner to remove the pet. The notice must:

1. Contain a brief statement of the factual basis for the determination and the Pet Policy or rules that have been violated;
2. State that the pet owner must remove the pet within ten (10) days of the effective date of service of the notice of pet removal (or the private conference, if notice is served at the private conference); and
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

Initiation of Procedures to Remove a Pet or Terminate the Pet Owner's Tenancy

Owner/Agent may not initiate procedures to terminate a pet owner's tenancy based on a Pet Policy violation, unless:

1. The pet owner has failed to remove the pet or correct a pet rule violation within the applicable time period specified in this section (including any additional time permitted by the owner); and
2. The Pet Policy violation is sufficient to begin procedures to terminate the pet owner's tenancy under the terms of the lease and applicable regulations.

Owner/Agent may initiate procedures to remove a pet under 24 CFR 5.327 (threat to health and safety) at any time, in accordance with the provisions of applicable State or local law.

SCHEDULE PET DEPOSITS

(A Pet Fee and One Time Deposit is required for each pet at the time of registration)

| Type of Pet | Fee | Deposit |
|--|-----|---------|
| Dog | \$0 | \$150 |
| Cat | \$0 | \$150 |
| Fish Aquarium | \$0 | \$0 |
| Fish Bowl (Requires no power and no larger than two gallons) | \$0 | \$0 |
| Caged Pets | \$0 | \$0 |

Note: The above schedule is applicable for each pet; therefore, if a resident pet owner has more than one pet he or she must pay the applicable fee and deposit for each pet.

ALL PET AGREEMENTS SIGNED WITH RESIDENTS OF Owner/Agent PRIOR TO THE ADOPTION OF THIS POLICY ARE NOT SUBJECT TO PAYING ADDITIONAL DEPOSIT AMOUNTS OR FEE REQUIREMENTS. RESIDENTS SIGNING PET POLICY ADDENDUM'S FOLLOWING THE ADOPTION OF THIS POLICY WILL BE SUBJECT TO PAYING FEES FOR ANY NEW OR ADDITIONAL PETS.

The entire fee (subject to the exception listed below) must be paid prior to the execution of the Pet Policy Addendum or in accordance with this policy. No pet shall be allowed in the unit prior to the completion of the terms of this Pet Policy.

The Pet fee shall be paid at the time of approval of the pet and all proof of inoculations and other requirements shall be made available to the Owner/Agent at such time. The Pet Fee is not reimbursable nor will it be prorated in the event of move-out before the annual reexamination date. The pet deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant. **THERE SHALL BE NO REFUND OF THE PET FEE.**

Pet Deposits

Owner/Agent will allow lump sum payment of the deposit prior to the approval of the pet:

- Owner/Agent reserves the right to change or increase the required deposit by amendment to these rules.
- Owner/Agent will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit.
- Owner/Agent will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.
- Owner/Agent will provide the tenant or designee identified above with a written list of any charges against the pet deposit. If the tenant disagrees with the amount charged to the pet deposit, Owner/Agent will provide a meeting to discuss the charges.

All reasonable expenses incurred by Owner/Agent as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit;
- Fumigation of the dwelling unit;
- Common areas of the project.

Pet Deposits are not a part of rent payable by the resident.

Any damage to the apartment, building, grounds, flooring, walls, trim, finishes, tiles, carpeting, or stains thereon, will be the full responsibility of the resident and the resident agrees to pay any costs involved in restoring the apartment to its original condition.

If Owner/Agent finds a residual odor problem left in the apartment, the resident agrees to pay for the cost of any and all materials or chemicals needed to repair to remove the odor. If odor removal fails, the resident agrees to pay for replacement of carpeting, padding, wallboard, baseboard, etc., as is deemed necessary. The resident also agrees to abide by management's decision as to what is necessary.

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a violation of the lease (a serious violation) and the Owner/Agent will issue a termination notice in accordance with of the dwelling lease. The resident pet owner will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a serious violation of the lease and this Addendum and the Housing Authority will issue a termination notice. The resident will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

It is understood and agreed that Owner/Agent is not responsible for any damages caused by the pet including but not limited to: bites and scratches to residents, neighbors, visitors, staff, Owner/Agent contractors, and others who are lawfully on the Owner/Agent's premises or other pets or service animals.

XVIII. GRIEVANCE POLICY AND PROCEDURE

1. Definitions

- a. A "grievance" is any dispute which a tenant may have with respect to Housing Authority action or failure to act in accordance with HHA regulations which adversely affect the individual tenant's rights, duties, welfare or status.
- b. A "complainant" is any tenant whose grievance is presented to the Housing Authority informally or as part of the informal hearing process.
- c. A hearing panel or official is a person or persons selected in accordance with this grievance procedure to hear grievances and render a decision with respect thereto.

- d. A tenant is a lessee or the remaining head of household of any tenant family residing in housing accommodations owned or leased by the Housing Authority.
- e. "Elements of due process" shall mean an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - 1. Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;
 - 2. Opportunity for the tenant to examine all relevant documents, records and regulations of the HHA prior to the trial for the purpose of preparing a defense;
 - 3. Right of the tenant to be represented by counsel;
 - 4. Opportunity for the tenant to refute the evidence presented by the PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have;
 - 5. A decision on the merits.

2. Procedures Prior to a Hearing

A. Informal Grievance Procedures

- 1. Any grievance shall be presented in writing to the HHA office. The grievance must be signed by the complainant. The grievance must be presented within a reasonable time, not in excess of the first working day after the fifth (5th) day of the action or failure to act, whichever is the basis of the grievance. It may be simply stated, but shall specify:
 - a. the particular ground(s) upon which it is based;
 - b. the action requested; and
 - c. the name, address, and telephone number of complainant and similar information about his/her representative, if any.
- 2. The purpose of this initial contact is to discuss and, hopefully, resolve grievances without the necessity of a formal hearing.
- 3. Within five working days, a summary of this discussion will be given to the complainant by a Housing Authority representative, one copy to be filed in the Authority's tenant files.
- 4. The summary will include: names of participants, date of the meeting, nature of the proposed disposition, and specific reasons therefore and shall specify steps by which a formal hearing can be obtained.

B. Dissatisfaction with Informal Disposition

- 1. If the complainant is dissatisfied with the proposed disposition of the grievance, he/she shall submit a written request for a hearing within ten (10) working days of delivery of the above mentioned summary of the informal proceedings.
- 2. The request for a hearing must be presented to the Housing Authority office.
- 3. The request must be date stamped.
- 4. The request for a hearing must specify reasons for the grievance, and the action or relief sought.

C. Failure to Request Formal Hearing

1. If the complainant does not request a hearing within ten (10) working days, he/she waives his/her right to a hearing, and the Housing Authority's proposed disposition of the grievance will become final.
2. The above determination shall in no way constitute a waiver of the complainant's right to contest the Housing Authority's disposition of his/her grievance in an appropriate judicial proceeding.

3. Right to a Hearing

After exhausting informal procedures outlined above, a complainant shall be entitled to a hearing before a hearing official or panel.

4. Selection of a Hearing Official or Panel

The hearing official shall be an impartial, disinterested person selected jointly by the HHA and the complainant. (Neither Housing Commissioners nor Authority employees shall be selected). If the HHA and complainant cannot agree upon a hearing official, they shall each appoint a member of a hearing panel and those individuals will select a third panel member. If the two appointees cannot decide upon a third hearing panel member, such member shall be appointed by an independent arbitration organization such as the Center of Disputes Settlement of the American Arbitration Association or any other third party agreed upon by HHA and the complainant.

5. Procedures to Obtain a Hearing

A. Informal Prerequisite:

1. All grievances must be informally presented as stipulated above as prerequisite to a formal hearing.
2. The hearing panel may waive the prerequisite informal hearing if, and only if, the complainant can show good cause why he/she failed to proceed informally.
3. If the complainant does not request a hearing within the time period allowed, he/she waives his/her right to the hearing and proposed disposition of the grievance will become final. This shall not, however, constitute a waiver of the complainant's right thereafter to contest disposition of his/her grievance in an appropriate judicial proceeding.
4. All grievances shall be personally presented in writing pursuant to the informal procedure prescribed in the policy as a condition precedent to a hearing under this section provided that if the complainant shall show good cause why he failed to proceed in accordance with Section II, A. to the hearing officer or hearing panel, the provisions of this subsection may be waived by hearing officer or hearing panel.

B. Escrow Deposit

1. Before a hearing is scheduled in any grievance involving an amount of rent the HHA claims is due, the complainant shall pay to the HHA all rent due and payable as of the

month preceding the month in which the act or failure to act took place.

2. The complainant shall thereafter deposit the same amount of the monthly rent in an escrow account monthly until the complaint is resolved by decision of the hearing official or panel.
3. The above escrow requirement may be waived by the HHA in extraordinary circumstances.
4. Unless so waived, failure to make the payments as mentioned above, shall result in termination of the grievance procedure.
5. Failure to make such payments shall not constitute a waiver of any right the complainant may have to contest the HHA's disposition of his/her grievance in any appropriate judicial proceeding.

C. Scheduling

1. Upon complaint's compliance with the above requirements, a hearing shall be scheduled by the hearing official (panel) promptly for a time and place reasonably convenient to both the complainant and the HHA.
2. A written notification specifying the time, place, and the procedures governing the hearing shall be delivered to the complainant and the appropriate Housing Authority official.

6. Procedures Governing the Hearing:

- A. The hearing shall be held before a hearing officer or panel as appropriate.
- B. The complainant shall be afforded a fair hearing providing the basic safeguard of due process which shall include:
 1. The opportunity to examine before the hearing and at the expense of the complainant, to copy all documents, records and regulations of the Housing Authority that are relevant to the hearing. Any document not so made available after request therefore by the complainant may not be relied upon by the Housing Authority at the hearing.
 2. The right to a private hearing unless otherwise requested by the complainant.
 3. The right to be represented by counsel or other person chosen as his/her representative.
 4. The right to present evidence and arguments in support of his or her complaint, to controvert evidence relied on by the Housing Authority or project management, and to confront and cross-examine all witnesses on whose testimony or information the Housing Authority or project management relies; and
 5. A decision based solely and exclusively upon the facts presented at the hearing.
- C. If the hearing panel (official) determines that the issue has been previously decided in another proceeding, they may render a decision without proceeding with the hearing.
- D. Failure to Appear
 1. If the complainant or Housing Authority fail to appear at the scheduled hearing, the

- hearing panel (official) may make a determination to postpone the hearing for not to exceed five working days, make a determination that the party has waived his/her right to a hearing.
2. Such a determination in no way waives the complainant's right to appropriate judicial proceedings.
- E. At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the Housing Authority must sustain the burden of justifying the Authority action or failure to act against which the complaint is directed.
- F. The hearing shall be conducted by the hearing official (panel) in such a way to be:
1. Informal-Oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings;
 2. Order - The official (panel) shall require that the HHA, complainant, counsel, and other participants and spectators conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing official (panel) to obtain order may result in exclusion from the proceedings or a decision adverse to the interests of the disorderly party and granting or denial the relief sought, as appropriate.
- G. The complainant or Housing Authority may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript.

7. Decisions of the Hearing Official (Panel)

- A. Within 10 working days following the hearing, the hearing official (panel) shall give the complainant and Housing Authority a written decision including reasons therefore. The Authority will file one copy in their tenant files and maintain another copy with names and identifying references deleted for a prospective complainant, his/her representative, or hearing officials (panels).
- B. The decision of the hearing official (panel) shall be binding on the Housing Authority which shall take all actions necessary to carry out the decision unless the Housing Commissioners determine, within five working days, and so notifies the complainant that:
1. The grievance does not concern Authority action or failure to act in accordance with or involving the complainant's lease on Housing Authority regulations which adversely affect the complainant's rights, duties, welfare or status;
 2. The decision of the hearing official (panel) is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and the Housing Authority.

- C. A decision by the hearing official (panel) or Housing Commissioner in favor of the Housing Authority or which denies the relief requested by the complainant in whole or part shall not constitute a waiver of, nor affect in any matter whatever, the rights the complainant may have to a new trial or judicial review in any proceedings; which may thereafter be brought in the matter.

8. HHA Eviction Actions

- A. If a tenant has requested a hearing in accordance with these duly adopted Grievance Procedures on a complaint involving HHA notice of termination of tenancy, and the hearing official (panel) upholds the HHA action, the HHA may commence an eviction action to be processed concurrently with the hearing process.

Such notice to vacate must be in writing and specifying that if the tenant fails to quit the premises within the applicable statutory period, or on the termination date stated in the notice of termination, whichever is later, appropriate action will be brought against him and he may be required to pay court costs and attorney fees.

XIX. ADDITIONAL RAD PROVISIONS

The HHA will follow the special requirements under PIH Notice 2012-32 REV on the conversion of this property from PH to PBRA under the Rental Assistance Demonstration Program (RAD).

Special Provisions Affecting Conversions to PBRA

Under the Demonstration, HUD has the authority to waive certain statutory and regulatory provisions, or to establish alternative requirements, for the effective conversion of assistance. Additionally, the RAD statute imposes certain unique requirements and authorizes HUD to establish requirements for converted assistance under the demonstration.

For public housing projects converting assistance to PBRA under the first component of the Demonstration, 24 CFR Part 880, Section 8 Housing Assistance Payments Program for New Construction, URA requirements in 49 CFR part 24, and applicable standing and subsequent Office of Housing guidance¹ will apply, except for the provisions listed below. These “special” provisions are grouped into three categories: Contract Terms, Resident Rights and Participation, and Other Miscellaneous Provisions. Where applicable, reference is made to the affected statute and/or regulation.

A. PBRA Contract Terms

- 1. Length of Contract.** Covered projects shall have an initial HAP term of 20 years. To implement this provision, HUD is waiving section 8(d)(2)(A) of the Act, which establishes a maximum term of 15 years for “an existing structure.” Additionally, 24 CFR § 880.502, which imposes maximum contract terms for New Construction projects consistent with statutory authority that was repealed in 1983 does not apply.
 - 2. Mandatory Contract Renewal.** Section 524 of MAHRAA and 24 CFR Part 402 currently govern renewals of expiring or terminating project-based section 8 HAP contracts and, in general, require HUD to renew such contracts “at the request of the owner.” Pursuant to the RAD statute, upon contract expiration, the Secretary shall offer, and the PHA shall accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year of such renewal. Consequently, to the extent that section 524 of MAHRAA and 24 CFR Part 402 are in effect upon contract expiration, the various provisions stating or requiring that any renewal of an expiring contract for project-based assistance under Section 8 shall be “at the request of the owner” will not apply.
 - 3. Ownership or Control.** Pursuant to the RAD statute, during the initial term and all renewal terms of the HAP contract, HUD will require ownership or control of assisted units by a public or non-profit entity. However, as HUD, in its sole discretion, determines necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations of, or default under, the HAP contract, HUD will require ownership or control of assisted units in the following priority: (1) a capable public entity; and (2) a capable non-public entity (e.g., a private entity), as determined by the Secretary. HUD may allow ownership of the project to be transferred to a for-profit entity to facilitate such entity’s use of tax credits, but only if the PHA preserves its interest in the property in a manner approved by the Secretary.² All current and future ownership entities are subject to the eligibility requirements of Section 1.3 of this final Notice, including the civil rights threshold requirements.
 - 4. RAD Use Agreement.** Pursuant to the RAD statute, covered projects shall have an initial RAD Use Agreement that:

 - a. Will be recorded superior to other liens on the property;
 - b. Will run for the same term as the initial HAP contract, automatically renew upon extension or renewal of the HAP contract for a term that runs with the
-

renewal term of the HAP contract, and remain in effect even in the case of abatement or termination of the HAP contract (for the term the HAP contract would have run, absent the abatement or termination), unless the Secretary provides approval for the RAD Use Agreement to be terminated when an owner requests a transfer of assistance;

- c. Requires that in the event that the HAP contract is removed due to breach, noncompliance 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 (AMI) at the time of admission and rents may not exceed 30% of 80% of median income for an appropriate size unit for the remainder of the term of the RAD Use Agreement; and
- d. Requires compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing and the site selection and neighborhood standards requirements set forth in 24 CFR § 1.4(b)(3).

PBRA: Other Miscellaneous Provisions under RAD

1. **Access to Records, including Requests for Information Related to Evaluation of Demonstration.** HHA must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work.
2. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968**
(Section 3). The Davis-Bacon Act (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) and Section 3 (24 CFR Part 135) apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation. (The Davis-Bacon Act only applies for projects with nine or more units.)
3. **Establishment of Waiting List.** In establishing the waiting list for the converted project, the HHA shall utilize the project-specific waiting list that existed at the time of conversion. If a project-specific waiting list does exist, but the HHA is transferring the assistance to another neighborhood, the HHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly

formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.

If a project-specific waiting list for the project does not exist, the HHA shall establish a waiting list in accordance 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the HHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. For the purpose of establishing the initial waiting list, HHAs have the discretion to determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, HHA resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the HHA's policies for waiting list management, including the obligation to affirmatively further fair housing.

A HHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (i.e., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (i.e., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).

To implement this provision, HUD will not apply 24 CFR § 880.603, regarding selection and admission of assisted tenants. However, after the initial waiting list has been established, the HHA shall administer its waiting list for the converted project in accordance with 24 CFR § 880.603.

4. **Mandatory Insurance Coverage.** The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.
5. **Choice-Mobility.** HUD seeks to provide all residents of covered projects with viable Choice-Mobility options. PHAs that are applying to convert the assistance of a project to PBRA are required to provide a Choice-Mobility option to residents of covered projects in accordance with the following:³

3.

- a. *Resident Eligibility.* Residents have a right to move with tenant-based rental assistance (e.g., Housing Choice Voucher (HCV)) the later of: (a) 24 months from date of execution of the HAP or (b) 24 months after the move-in date.
- b. *Voucher Inventory Turnover Cap.* Recognizing the limitation on the availability of turnover vouchers from year to year, a voucher agency would not be required, in any year, to provide more than one-third of its turnover vouchers to the residents of covered projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if implemented the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received.
- c. *Project Turnover Cap.* Also recognizing the limited availability of turnover vouchers and the importance of managing turnover in the best interests of the property, in any year, a HHA may limit the number of Choice-Mobility moves exercised by eligible households to 15 percent of the assisted units in the project. (For example, if the project has 100 assisted units, the HHA could limit the number of families exercising Choice-Mobility to 15 in any year, but not less than 15.) While a voucher agency is not required to establish a project turnover cap, if implemented the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received.

HUD's goal is to have 100 percent of residents in the Demonstration offered a Choice-Mobility option within a reasonable time after conversion. However, as HUD recognizes that not all PHAs will have vouchers sufficient to support this effort, HUD will:

- Provide ranking factor points where a voucher agency has committed to provide vouchers to the covered PBRA project of a PHA without a voucher program (see Section 1.11D). Additionally, voucher agencies that make such a commitment will receive:
 - Priority points for new HCV FSS coordinator positions in an upcoming FSS competition and
 - The bonus points provided under the Section Eight Management Assessment Program (SEMAP) for deconcentration.
- Grant a good-cause exemption from the Choice-Mobility requirement for no more than 10 percent of units in the Demonstration. HUD will only consider requests for good-cause exemptions from the following types of HHAs:
 - Public housing-only agencies, defined as agencies that own units under a

public housing ACC, but do not administer, directly or through an affiliate, a

Housing Choice Voucher program; or ○ Combined agencies that currently have more than one-third of their turnover vouchers set aside for veterans, as defined for the purpose of HUD-VASH, or homeless populations, as defined in 24 CFR § 91.5.⁴ To be eligible for this exemption, the HHA's admission policies must have been formally approved by the HHA's board prior to the time of application.

HUD will issue these exemptions in the following order of priority: 1) small public housing-only HHAs; 2) all other public housing-only HHAs; and 3) combined agencies that currently have more than one-third of their vouchers set aside for veterans and/or homeless. See Section 1.11 for more information on Choice-Mobility exemptions in the competition.

6. **Future Refinancing.** Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)
7. **Submission of Year-End Financial Statements.** Covered projects converting assistance to PBRA must comply with 24 CFR Part 5 Subpart H, as amended, revised, or modified by HUD from time to time regarding submission of financial statements.

